



Bank of America Merrill Lynch

16th Annual Banking & Insurance CEO Conference 2011

"Déjà vu - Lessons from the Crisis"

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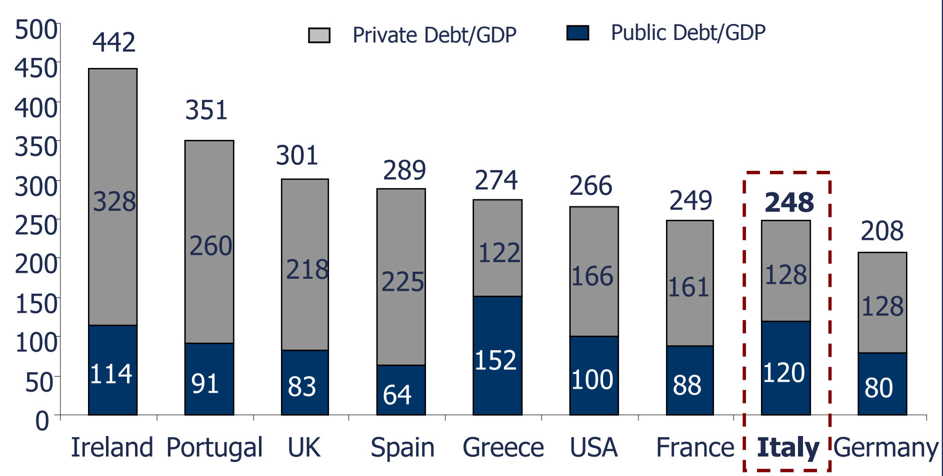
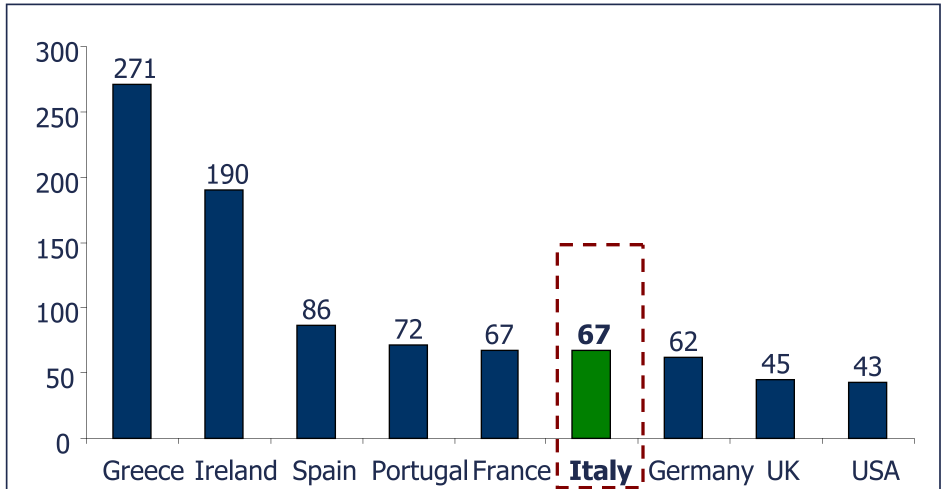
Financial sustainability indicators: international comparison

Public and Private Debt/GDP (in %)



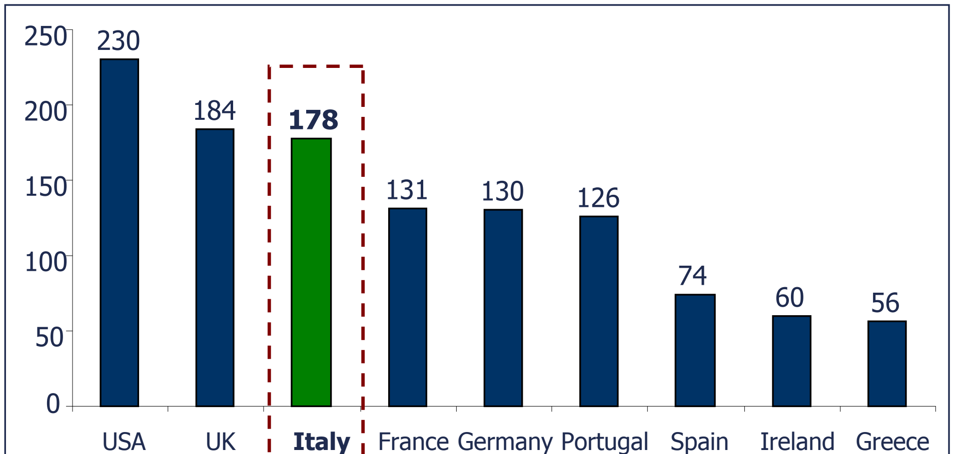
Source: Bank of Italy - Financial Stability Report of Dec. 2010 (for Private Debt as at 2009) and IMF- Financial Stability Report of April 2011 (for Public Debt as at 2010).

Public Debt/Household Net Financial Wealth (in %)



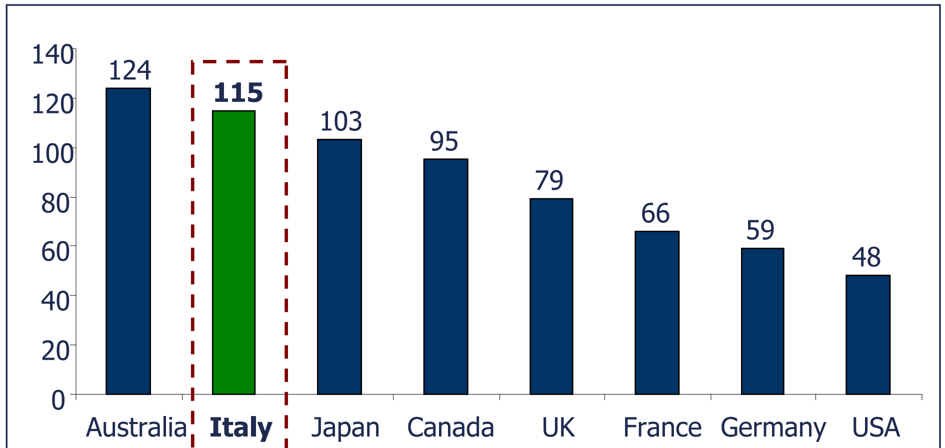
Source: IMF - Financial Stability Report, April 2011

Household Net Financial Wealth/GDP (in %)



Source: IMF - Financial Stability Report, April 2011

Median net wealth per adult ($/000)



Source: CS Research Institute – Global Wealth Report 2010 and IMF

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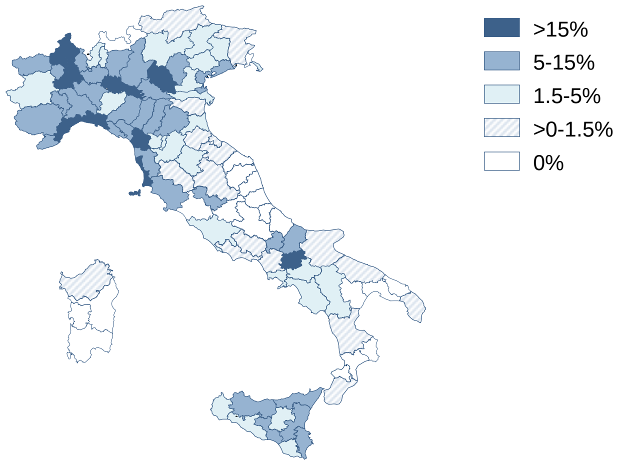
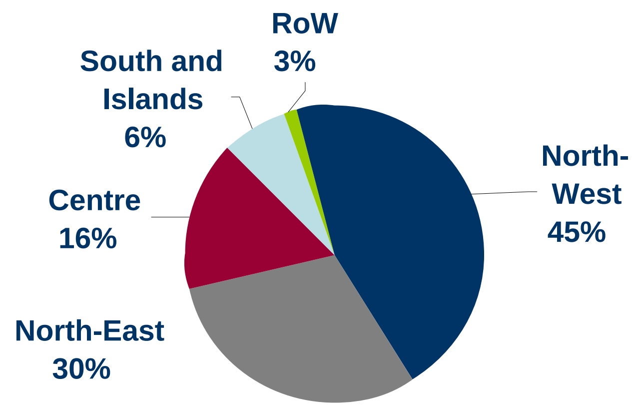
Geographical mix: branch network located mainly in wealthy northern Italy, with strong positioning in attractive areas

Market share by number of branches (31/12/10) (i)



Customer loans by geographical area (30/06/11)



Market share by loans and deposits in some of the main regions (as at 30/06/2011) (ii)

	Loans	Deposits (iii)
▪ Veneto	7.58%	8.48%
▪ Lombardy	7.00%	6.01%
▪ Emilia Romagna	7.63%	6.58%
▪ Piedmont	6.71%	6.17%
▪ Liguria	8.74%	9.40%
▪ Tuscany	7.28%	7.47%
ITALY	**5.33%**	**4.79%**

Group franchise at a glance

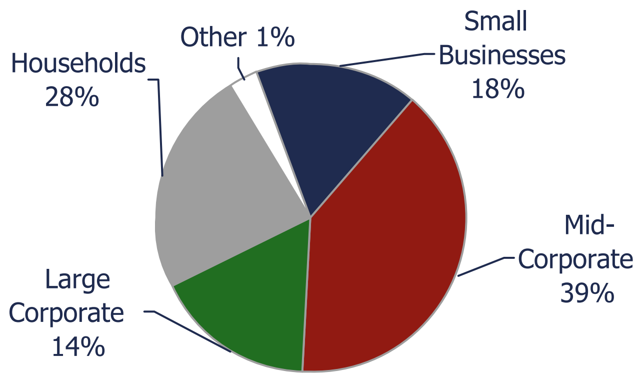
- **Leading player in the Italian domestic market**, mainly concentrated in the wealthiest regions of Italy, with good market shares in both loans and deposits:
  - North West: 7.06% (loans) and 6.33% (deposits);
  - North East: 6.57% and 6.28%.
- **Strong base of domestic retail customers.**
- **Excellent geographical position:**
  - Economically resilient northern Italy accounts for 74.8% of the Banks of Territory branch network (more than 85% including Tuscany) as at 31/12/2010.
- **Franchise quality.**
- **Well-recognized brands in core market regions**

(i) Branch market shares are calculated as of 31 Dec. 2010 and are based on a total of 1,992 branches of the Banks of the Territory.
(ii) Referred to the so-called 'Core Business', composed of Non-financial Corporates, Small Business and Households.
(iii) Deposit market shares are based on the Bank of Italy's Statistical Bulletin and hence comprise banks' fund-raising in the form of deposits (with agreed maturity, sight, overnight and redeemable at notice), savings certificates, CDs, current accounts and repos.

Group strengths: the business and leverage ratio

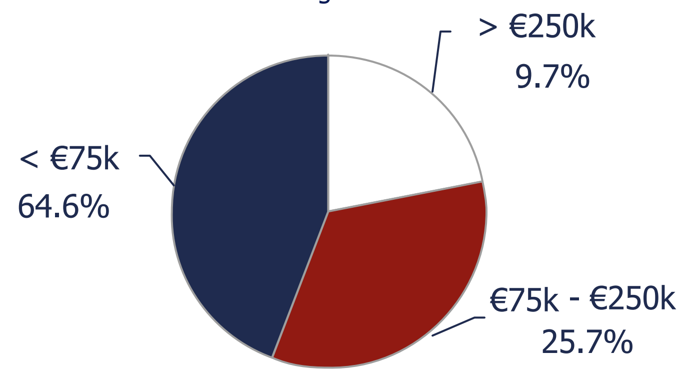
Customer breakdown by segment (30/06/2011)

% on drawn amount - Loans of the Banks of the Territory, average data



Customer breakdown (31/12/2010)

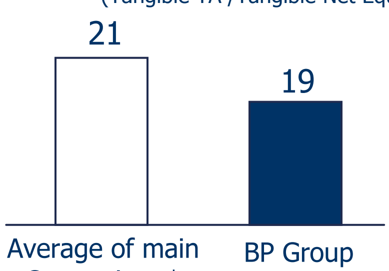
% on # of customers with loans granted



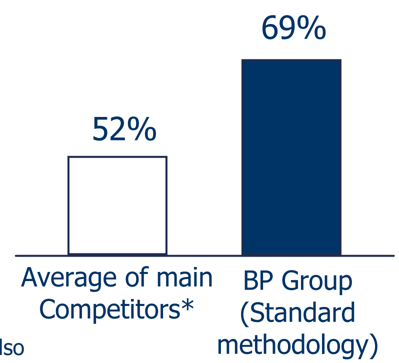
Leverage ratio and RWA/Total Assets ratio

Leverage ratio

(Tangible TA /Tangible Net Equity)



RWA / TA



Leverage ratios of main competitors include also those right issues approved but not yet completed as at 30/06/2011.

* Data as at 30/06/2011 - ISP, UCG, UBI, MPS, BPM, BPER and Carige

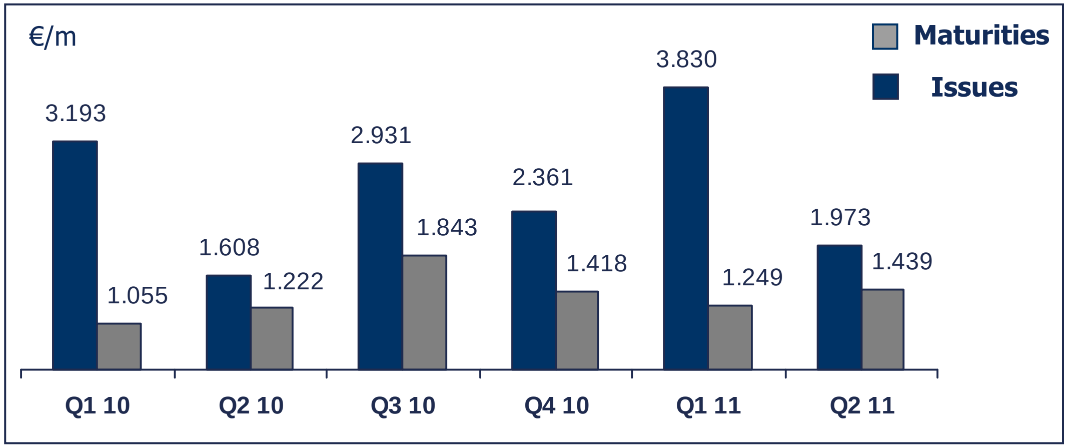
Comments

- Core banking activity mainly focused on households and small businesses/mid-corporate customers, that together represent 84% of customer loans.
- High fragmentation of the loan book, with **90%** of the total granted positions with an average amount <€250k.
- Levarage ratio is equal to **19**, lower than the average of italian main competitors (21) and the average of european banks (24).

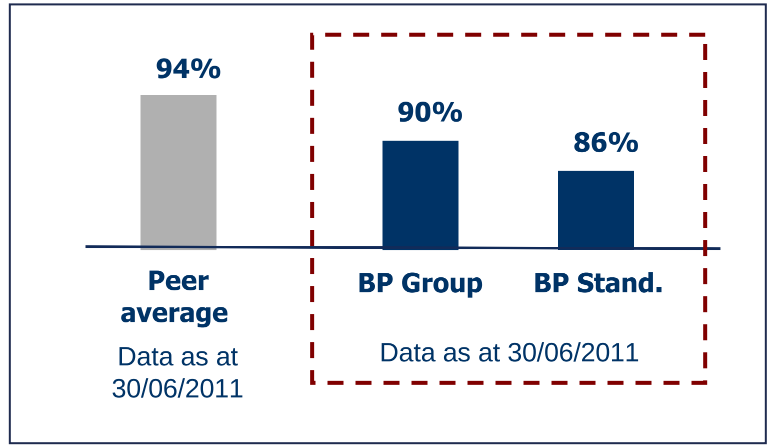
Note: Loans of the Banks of the Territory + Efibanca;

Solid balance sheet structure and good funding profile

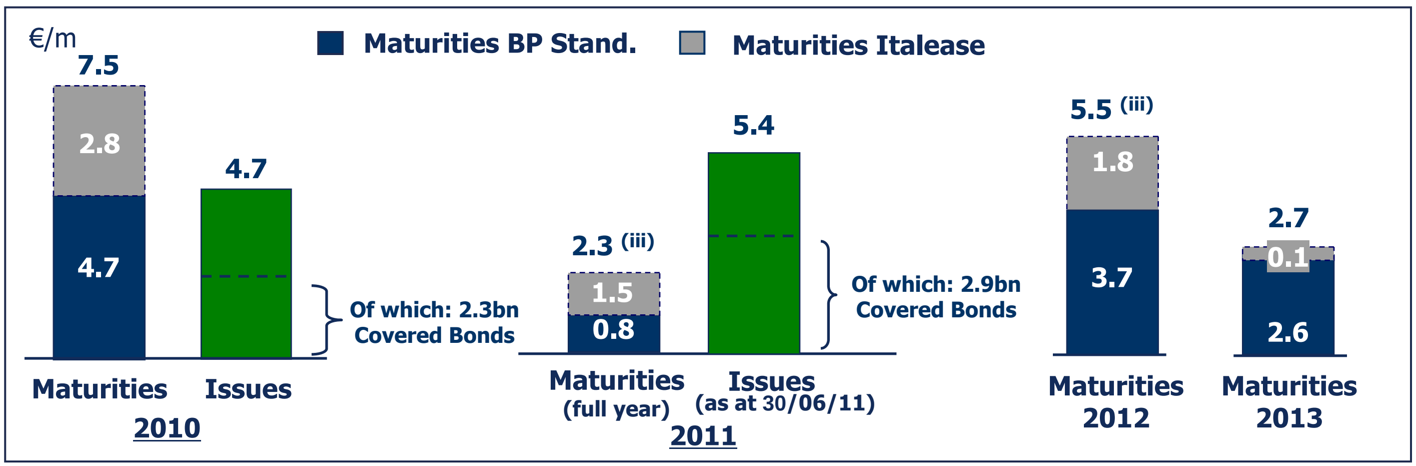
Retail maturities and issues in 2010 and 2011



Loan/Deposit[(i)] ratios vs. peers [(ii)]



Institutional funding need covered for 2011



Comments

- Funding needs of the year 2011 already covered with the issues of the first months of 2011.
- In addition, during H1 2011, Banco Popolare placed bonds via a third party network for ~€740m and further €750m in July.
- Roughly €16bn of liquid assets (eligible and available assets).

(i) 'Deposits' include the following liability items under the Bank of Italy accounting scheme: item 20 (Due to Customers), item 30 (Securities issued) and item 50 (Financial liabilities designated at fair value).
(ii) Peers include ISP, UCG, MPS, UBI, BPER, BPM and Carige.
(iii) Including LT2 bonds under swap, for which the call option has not been exercised, the 2011 maturities would amount to €3bn and to €6bn in 2012.

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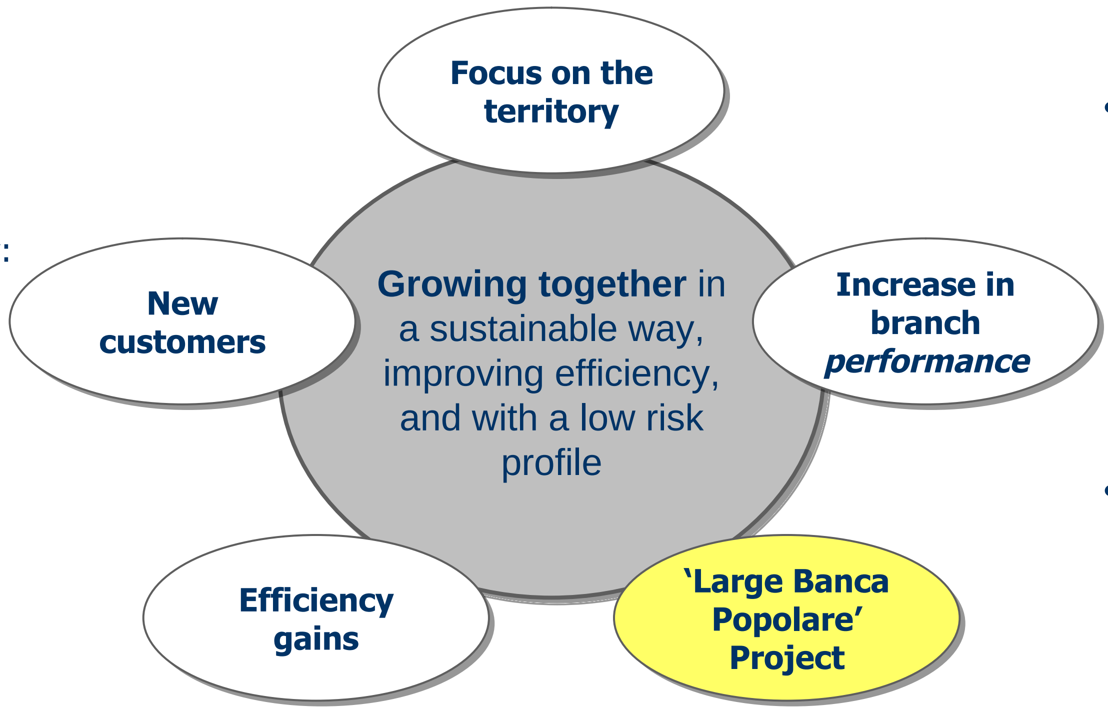
Business Plan 2011-2013/15: guidelines

- **Efforts of the Territorial Divisions to be poured onto their historic franchise** (one brand for each municipality).
- **Strengthen the role of the branch** through a higher focus on the relationship with SMEs and the development of the role of Branch Manager



- **Satisfy customer needs,** old and new, by:
  - Introducing **specific and innovative products services**
  - Using **integrated multi-channels that minimize the c*ost-to-serve***

- **Branch restructuring by:**
  - **Rationalising and Reorganising** the underperforming branches
  - **Limiting the number of new branch openings** in strategic areas
- **Innovation of customer service models for SMEs, Affluent and Mid Corporate customers**

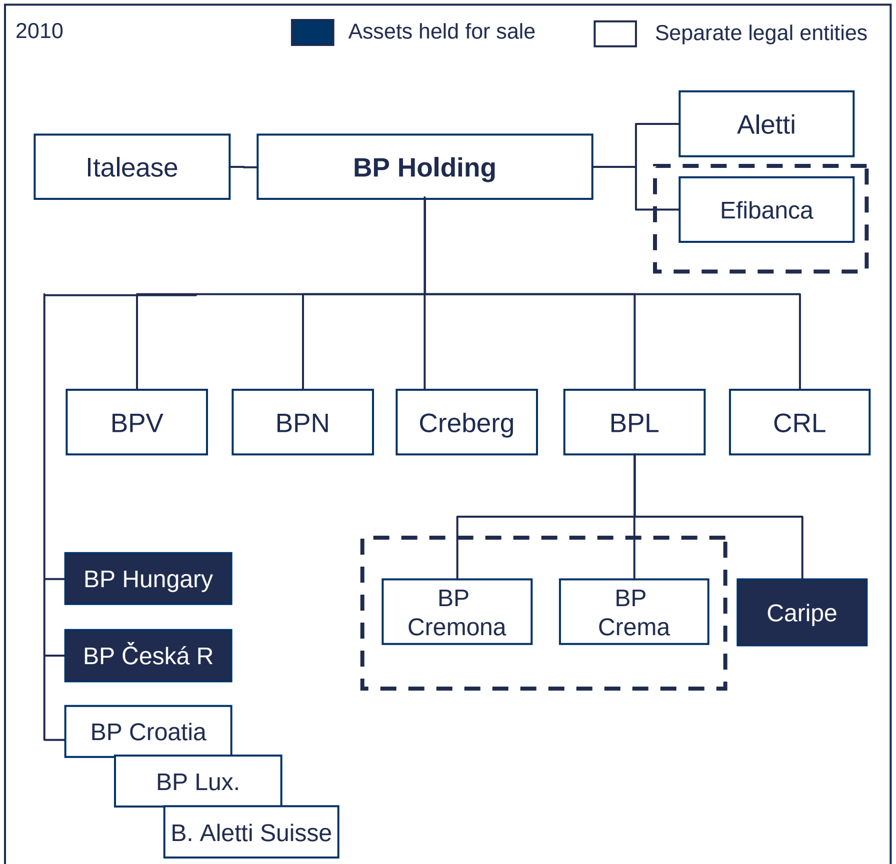
- **Efficiency gains by:**
  - Reduction of headquarter resources in favour of the commercial network.
  - Elimination of activity duplication between Holding, Banks of the Territory/Territorial Divisions and territorial areas.

- **From optimisation of the federal model to the 'Large Banca Popolare' Project**
  - strong simplification of Group structure
  - simplification of Group corporate governance

New organizational structure: strong Group simplification

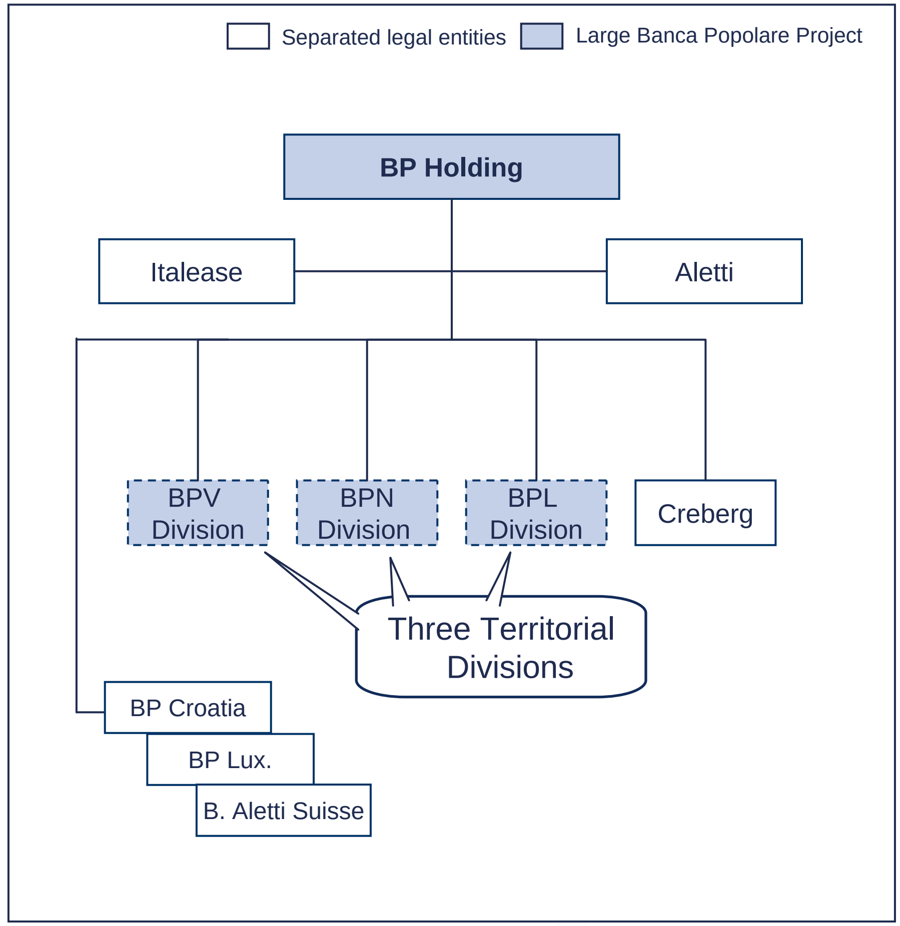
Large Banca Popolare Project

As Is



Entities indicated in the dotted boxes are set to be merged in 2011.

To Be



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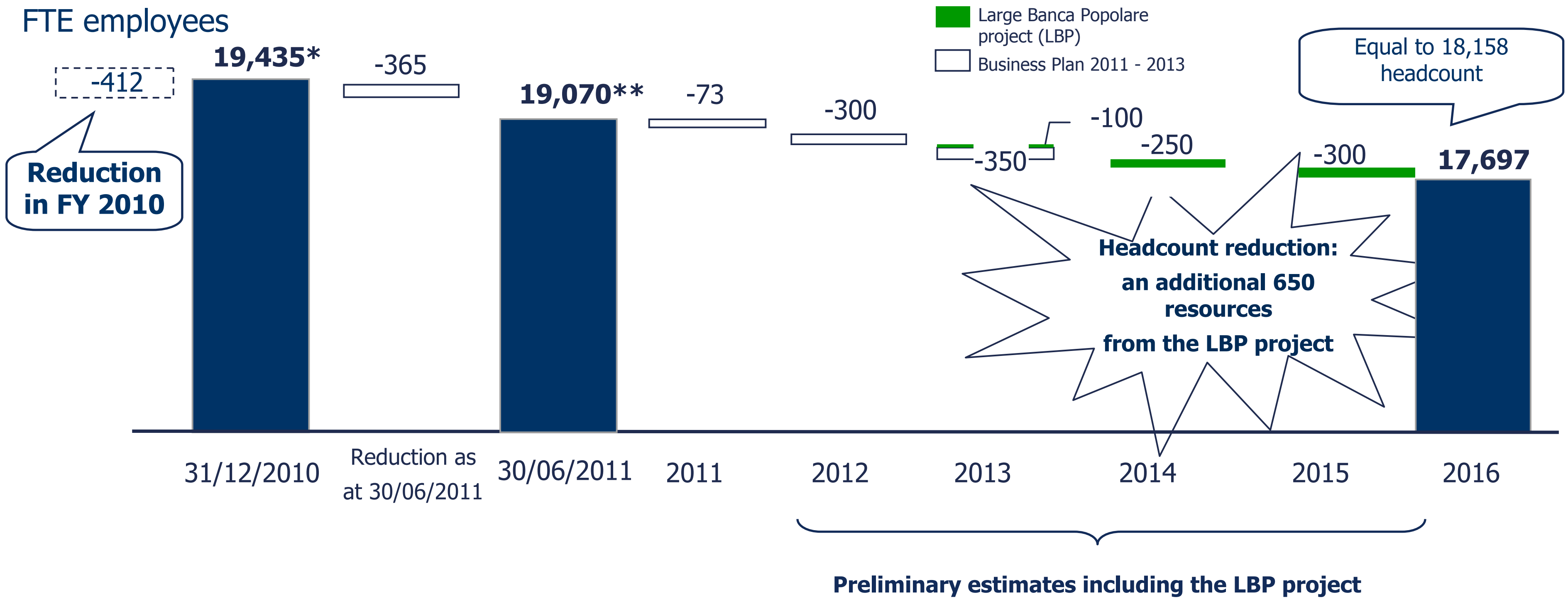
Banco Popolare Group

Group headcount evolution 2011-2016 (FTE)



	2010	2011	2012	2013	2014	2015	Total
Previous target (2010-2013) - Dec. 2010	-300	-500	-250	-250			= -1,300
Revised target (2010-2013) - Mar. 2011	-412	-438	-300	-350			= -1,500
With LBP project (2010-2015)	-412	-438	-300	-450	-250	-300	= -2,150

*Pro-forma figures net of BP Hungary which has exited the consolidation perimeter as a result of its classification as Non-current assets held for sale and discontinued operations

**Net of 139 resources with departure effective from 01/07/2011.

Large Banca Popolare project: financial impact

€/m, target impact (in 2016)

A Personnel	• Release of additional resources due to: - **review of the** branch network **structure** - **redistribution of activities** between central offices and the network - **elimination of activities** related to the existence of separate legal entities	30
B Fiscal	• **VAT inefficiency** on infra-Group services • **Tax inefficiency** due to the double taxation of infra-Group dividends • **Tax inefficiency** due to the non-deductibility (under IRAP) of infra-Group tax payments for interest expenses	51
C Other Administrative Expenses	• **Elimination of costs related** to the presence of separate legal entities (auditing firm, board directors and statutory auditors) • **Savings from administrative expenses and rental costs** • Increase in costs due to the introduction of **Local Territorial Committees**	12
	Total	93

Simplified corporate governance structure

Change in corporate governance: from dual to traditional order

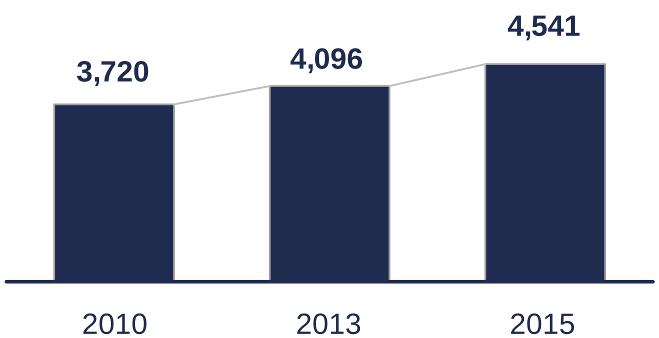
- **Simplification of the Group's governance**, with return to a single Board of Directors
- Creation of a **Board of Directors composed of a maximum of 24 resources**, of which 3 up to 4 chosen among the top managers of the group; three of the 'executive' members of the Board of Directors shall represent half of the members of an **Executive Committee**, which shall also be composed of the Chairman and the two Deputy Chairmen, **for a total of 6 members**
- **Strengthening of the proximity to the territory**, through the creation of a "Local consulting and credit committee" for each of the Divisions, with the function of expressing non-binding advisory opinions **on major decisions regarding the local reality**

Financial targets

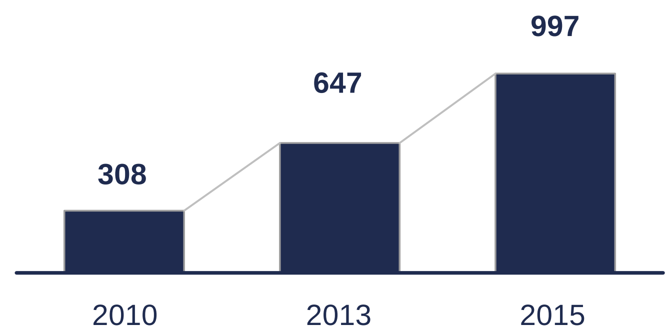
Financial performance

€/m

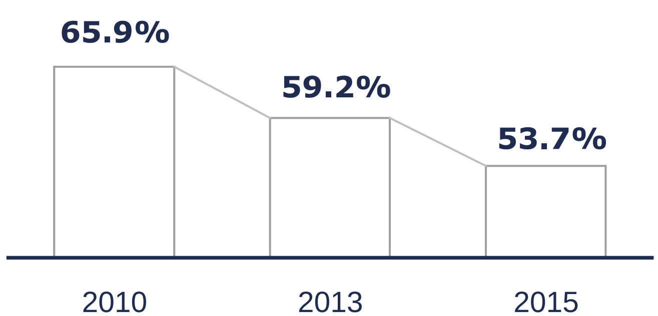
Total Revenues [1]



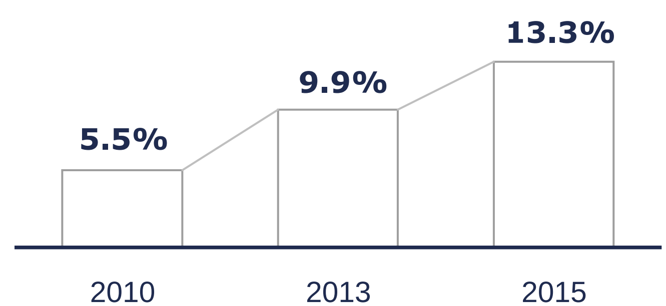
Net Income [1]



C/I ratio



ROTE [2]



Underlying assumptions

	2011	2013	2015
GDP Italy	0.9%	1.4%	1.4%
Euribor 1-m	1.2%	1.9%	3.1%
Euribor 3-m	1.4%	2.1%	3.2%

Note:
(1) FY2010 results include the effect of the Fair Value Option, equal to €395.5m pre-tax and €267.7m post-tax, while in the planning period no Fair Value Option effect has been considered.
(2) ROTE calculated as Net Income on Net Tangible Equity.

Impact of business plan actions on future profitability

€/m	2013				2015			
	New target	*of which Bus. Plan*	*of which LBP*	*Total in % on new target*	New target	*of which Bus. Plan*	*of which LBP*	*Total in % on new target*
Net interest income	2,137	***98***	-	***+4.6%***	2,428	***150***	-	***+6.2%***
Net commissions	1,504	***101***	-	***+6.7%***	1,641	***145***	-	***+8.8%***
Total revenues	4,096	***216***	See note below	***+5.3%***	4,541	***303***	See note below	***+6.7%***
Operating costs	-2,427	***67***	***46***	***-4.7%***	-2,436	***126***	***63***	***-7.8%***
Profit from operations	1,669	***283***	***46***	***+19.7%***	2,104	***429***	***63***	***+23.4%***
Loan loss provisions	-541	***-16****	-	***+3.0%***	-492	***-27****	-	***+5.5%***
Income before tax	1,091	***267***	***46***	***+28.7%***	1,582	***403***	***63***	***+29.5%***
Tax	-437	***-87***	***-2*****	***+20.3%***	-586	***-126***	***4*****	***+20.8%***
Net income	647	***177***	***44***	***+34.2%***	997	***272***	***67***	***+34.0%***
Of which: PPA	*-29*	-	-		*-28*	-	-	

- In 2013, Business Plan actions with discontinuity projects and LBP bring a positive impact of 5.3% on Total Revenues (6.7% in 2015), improve Operating costs by 4.7% (7.8% in 2015) and contribute 34.2% **to Net income (34.0% in 2015).**
- In the "Large Banca Popolare" project (LBP), operating costs expected for 2013 and 2015 (€46m and €63m, respectively) include one-off costs incurred to incentivize headcount reduction (€6m in 2013 and €15m in 2015)

* The increase of LLPs is mainly due to the stronger growth in customer loans deriving from Business Plan actions.

** Tax includes the positive fiscal impact (€13m in 2013 and €24m in 2015) from the elimination of the double taxation on intra-group dividends.

Business Plan: financial targets

€/m

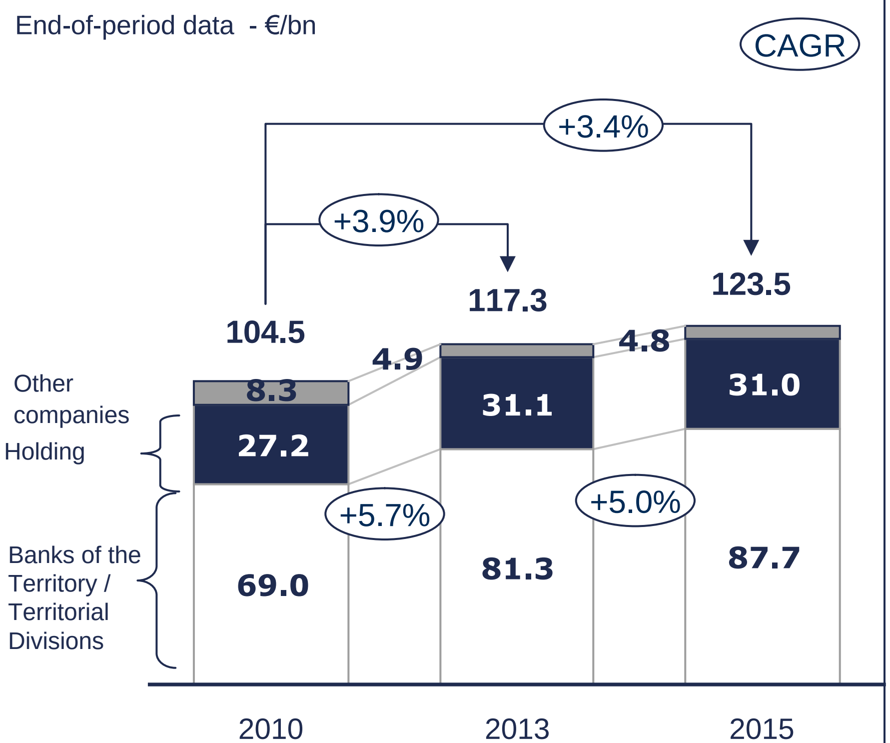
	2010 (1)	2013 (2)	2015 (2)	CAGR on 2010 accounting data 2010-2013	CAGR on 2010 accounting data 2010-2015	CAGR on 2010 data ex. FVO (+€396m pre-tax and +€268m post-tax) 2010-2013	CAGR on 2010 data ex. FVO (+€396m pre-tax and +€268m post-tax) 2010-2015
Total revenues	3,720	4,096	4,541	+3.3	+4.1	+7.2	+6.4
Operating costs	-2,452	-2,427	-2,436	-0.3	-0.1	-0.3	-0.1
Profit from operations	1,268	1,669	2,104	+9.6	+10.7	+24.2	+19.3
LLPs	-771	-541	-492	-11.2	-8.6	-11.2	-8.6
Net income	308	647	997	+28.1	+26.5	+152.3	+90.0
PPA impact	-234	-29	-28				
Net income excluding PPA	542	676	1,025	+7.7	+13.6	+35.2	+30.2
Cost / Income	65.9%	59.2%	53.7%				
Cost of credit (bps)	78	52	45				
Tax rate	n.s.	39%	35%				

- Trend: growth of total revenues, together with a strong cost containment and an improvement in the cost of risk.
- 2011 – 2013/2015 targets have been sustained by a number of discontinuity actions and strategic projects to be realized over the 2011-13 period, with an inertial effect from 2013 to 2015.
- The 2013 Net income benefits from a reduction in the PPA effect, equal to €205m (€206m in 2015).

(1) 2010 data include the impact of the Fair Value Option.
(2) 2013 and 2015 data do not incorporate any impact from the Fair Value Option.

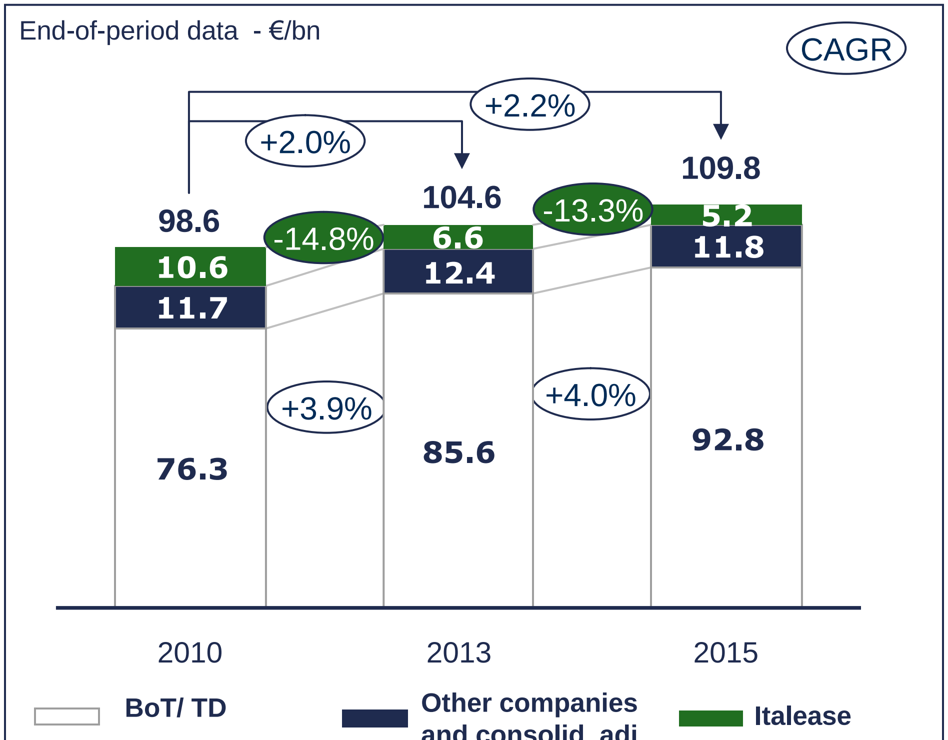
Business Plan: volumes

Total direct customer funds



- The growth of direct customers funds levers on the **Banks of the Territory (BoT)/ Territorial Divisions (TDs)** that provide access to high quality funding sources.
- The funding of the **Holding** company, which includes the EMTN programme and other wholesale funding sources, is expected to grow only during the 3-year period 2011-2013, remaining stable during the following 2 years.

Total gross customer loans



Perf. Customer loans of the BoT/TDs	2010	2013	2015
Short-term	26bn	30bn	33bn
M/L-term	50bn	56bn	60bn
Large Corporate	14%	10%	8%
MID Corporate	39%	42%	44%
Households and Small Corp.	45%	46%	46%
Other	2%	2%	2%

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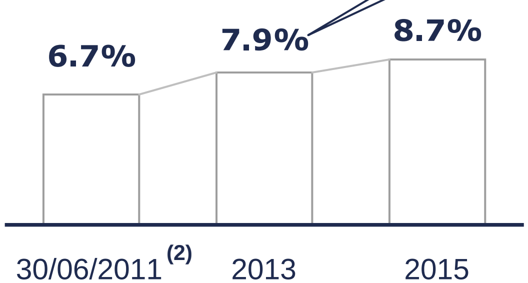
Balance sheet and risk management targets

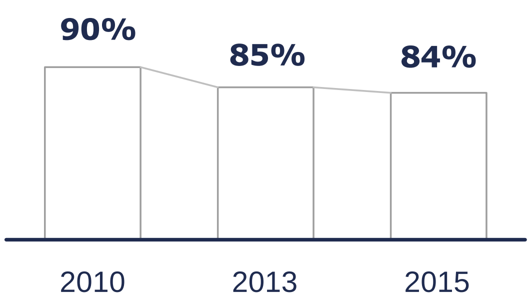
Performance of the balance sheet…

Core Tier 1 Ratio



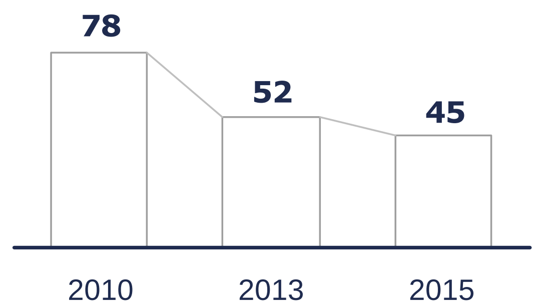
2013 and 2015 data include the estimated impact of fully phased Basle 3 as well as the adoption of the Advanced Methodology (+80bps). Includes also the positive impact of the disposal of a stake in Agos Ducato (currently not feasible).

Loan to Customer funds ratio

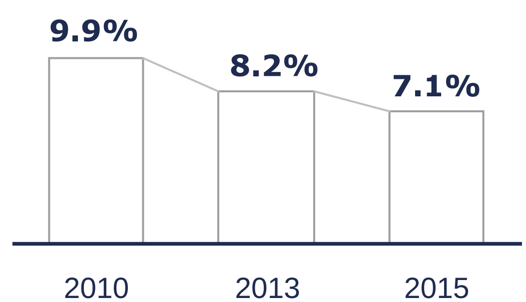


… and risk management

Cost of credit (bps) [3]



Net impaired loans / Net customer loans [4]



(1) Common equity ratio calculated in accordance with Basle 3 requirements from 2013.
(2) Proforma including the estimated tax release impact on goodwill and other intangible assets (+20bps)
(3) Cost of risk calculated as loan loss provisions (net) on total gross customer loans.
(4) Impaired loans include NPLs + Watchlist + Restructured + Past Due.

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Highlights on Group results

- **Consolidated net income reaches €191.4m in H1 2011**

  of which: Banco Popolare 'Standalone' net income: +€237.8m

  of which: Net contribution of Italease: -€46.4m

- **"Normalised" Group net income at €172.9m.**(1)

- **Good operating performance:**
  - Net Interest Income at €886m (-4.1% y/y)
  - Commissions at €654m (+1.8% y/y)
  - Operating Income at €1,885m, in line with H1 2010
  - Operating costs under control (+0.8% y/y). Excluding extraordinary costs related to the headcount reduction plan registered in Q2 2011 (equal to €6.6m), the change is +0.2%. In H1 2011, in line with the headcount reduction plan, the total number of employees decreased by 365.
  - Income Before Taxes From Continuing Operations at €315m (+14.7% y/y)

- **Growth volumes of the branch franchise:**
  - Loans to customers: +2.4% y/y and +1.1% vs dec.10
  - Direct customer funds: +2.3% y/y and +2.3% vs dec.10
  - Household mortgage loans (granted): +7.0% y/y

- **Satisfactory liquidity profile:** institutional funding needs fully covered for 2011 and for most of 2012.

- **Cost of credit risk at 79bps, substantially in line with the level of 2010, but improving in Q2 2011 over Q1 2011.**

(1) Net of Fair Value Option, PPA, gain/write-backs on government bond portfolio, profits from the disposal of equity investments and costs for the headcount reduction plan.

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H1 2011 'normalized' consolidated income statement

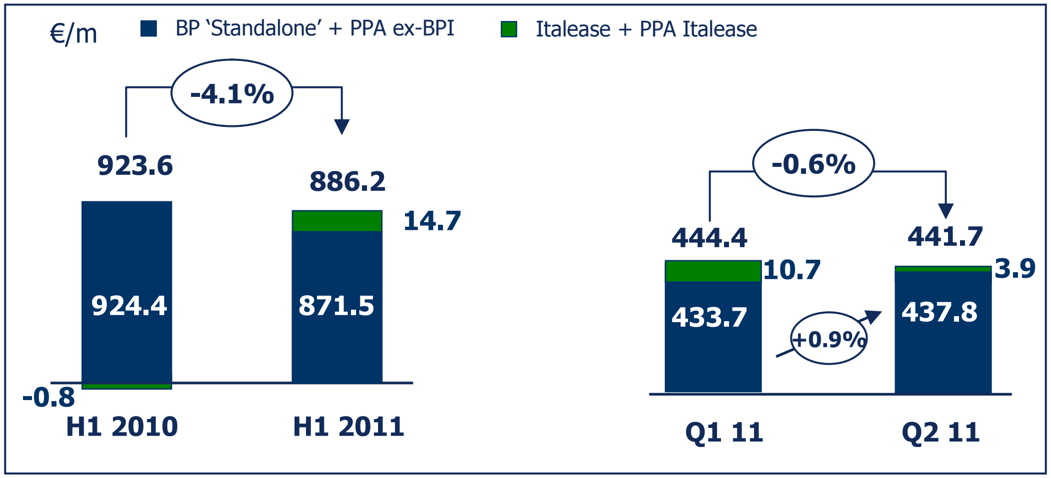
Reclassified income statement - €/m	Accounting data	PPA (ex-BPI + BIL)	Accounting data excluding PPA	Fair Value Option	Capital gain on Government securities	Capital gain on ICBPI disposal and non-current assets held for sale	Severance Costs	Normalized Income statement excl. PPA
Net interest income	886.2	(67.6)	953.8					953.8
Profit (loss) on equity investments carried at equity	22.9		22.9					22.9
Net interest, dividend and similar income	**909.1**	**(67.6)**	**976.6**	**-**	**-**	**-**	**-**	**976.6**
Net commissions	653.9		653.9					653.9
Other revenues	34.4	(18.8)	53.2					53.2
Net financial income	287.3	(7.8)	295.1	38.6	23.1			233.4
Other operating income	**975.6**	**(26.6)**	**1,002.2**	**38.6**	**23.1**	**-**	**-**	**940.5**
Total income	**1,884.7**	**(94.2)**	**1,978.9**	**38.6**	**23.1**	**-**	**-**	**1,917.1**
Personnel expenses	(755.3)		(755.3)				(6.6)	(748.7)
Other administrative expenses	(377.3)		(377.3)					(377.3)
Amortization and depreciation	(70.0)	(1.9)	(68.1)					(68.1)
Operating costs	**(1,202.7)**	**(1.9)**	**(1,200.8)**	**-**	**-**	**-**	**(6.6)**	**(1,194.1)**
Profit from operations	**682.0**	**(96.1)**	**778.1**	**38.6**	**23.1**	**-**	**(6.6)**	**723.0**
Net write-downs on impairment of loans, guarantees and commitment	(399.9)		(399.9)					(399.9)
Net write-downs on impairment of other financial transactions	(27.1)		(27.1)		(15.3)			(11.8)
Net provisions for risks and charges	(2.3)	0.0	(2.3)					(2.3)
Impairment of goodwill and equity investments	-		-					-
Profit (loss) on disposal of equity and other investments	62.7	(6.7)	69.4			47.2		22.3
Income before tax from continuing operations	**315.4**	**(102.8)**	**418.2**	**38.6**	**7.8**	**47.2**	**(6.6)**	**331.3**
Tax on income from continuing operations	(138.0)	29.2	(167.3)	(15.9)	(2.6)	(0.6)	1.8	(149.9)
Income (Loss) after tax from non-current assets held for sale	22.0		22.0			22.0		-
Minority interest	(8.0)	0.5	(8.4)					(8.4)
Net income for the period	**191.4**	**(73.1)**	**264.5**	**22.7**	**5.2**	**68.5**	**(4.8)**	**172.9**

- On an annual basis, the PPA impact is expected to decrease to about -**€127m** (of which -€35m Italease) in 2011, -**€48m** (of which -€15m Italease) in 2012 and -**€28m** (of which -€8m Italease) in 2013.

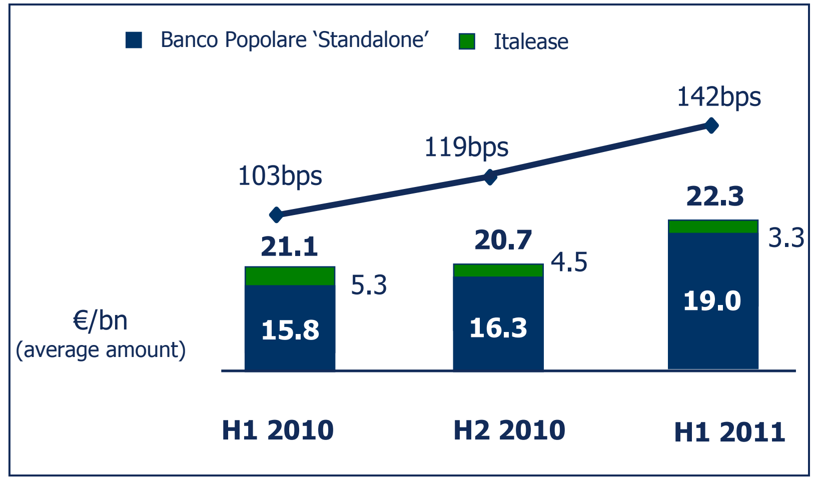
Banco Popolare Group

Net Interest Income

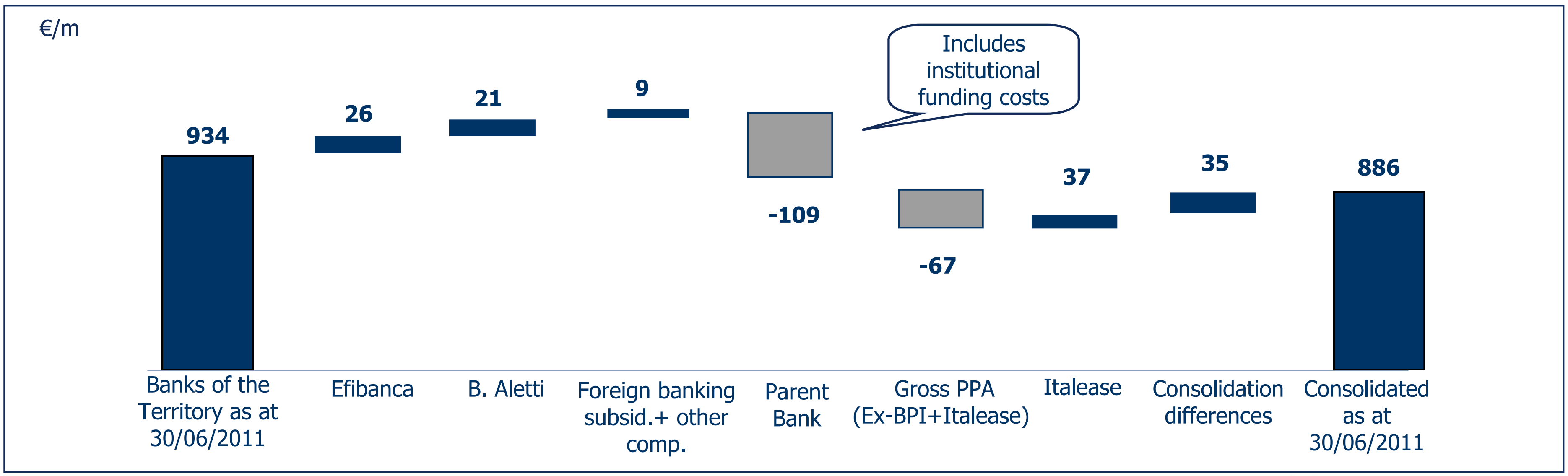
Annual and quarterly trend



Average spread of wholesale funding cost

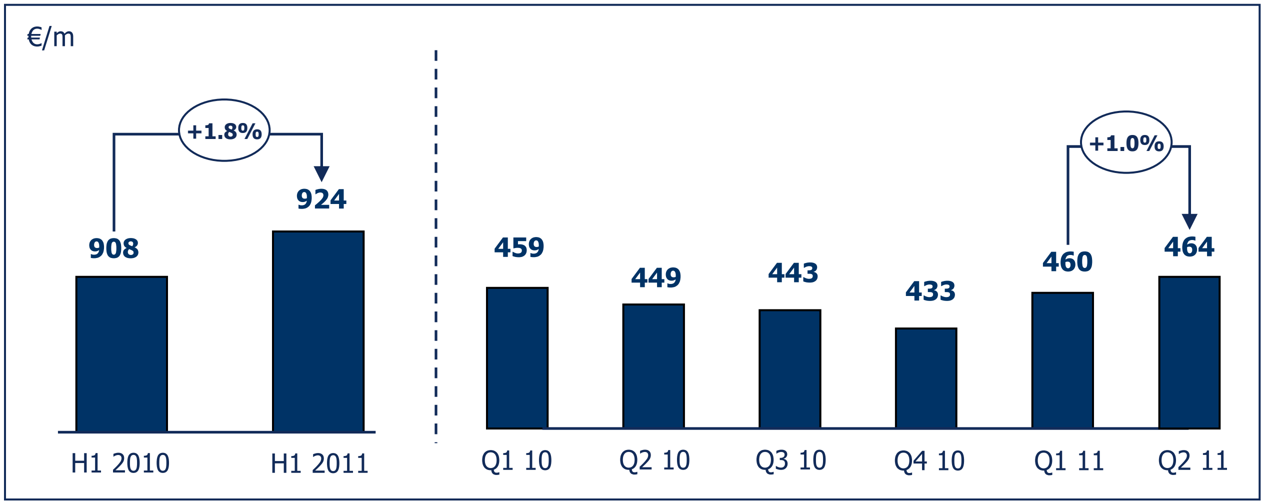


Breakdown of Net Interest Income



Customer Net Interest Income of the Banks of the Territory*

Quarterly trend

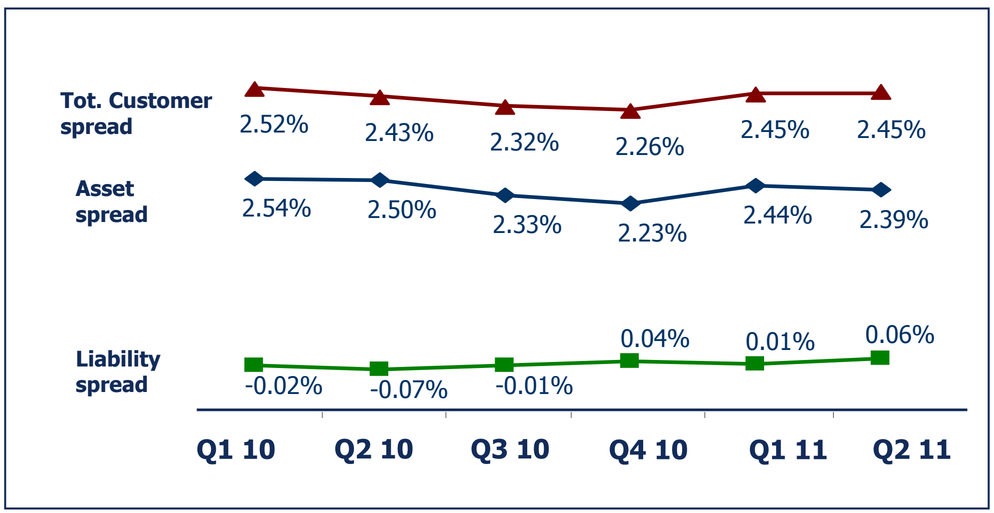


Drivers

The NII of customer loans & funds of the Banks of the Territory recorded an increase of +1.8% y/y and of +1.0% vs. the previous quarter:

	H1 2011 vs. H1 2010
• Volumes:	+€37.1m
• Spread:	-€21.2m
	+€15.9m

Customer spreads evolution



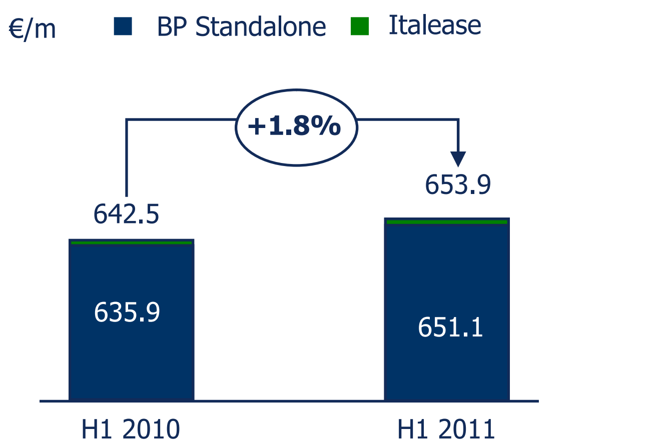
Comments

- Stable total customer spread, thanks to the increase of the liability spread which has allowed to compensate the reduction of the increase in asset spread, with the latter deriving only from the increase in interest rates.
- The partial growth of the liability spread follows the Group's strategy to strengthen its liquidity position and to lengthen the maturity profile through retail bond issues (+5.8bn in H1 2011).
- The renewed action of asset repricing already shows a meaningful recovery of the asset spread as of July 2011.

*Analysis based on the customer funds and customer loans of the Banks of the Territory (performing loans).

Net commissions

Group Net commissions

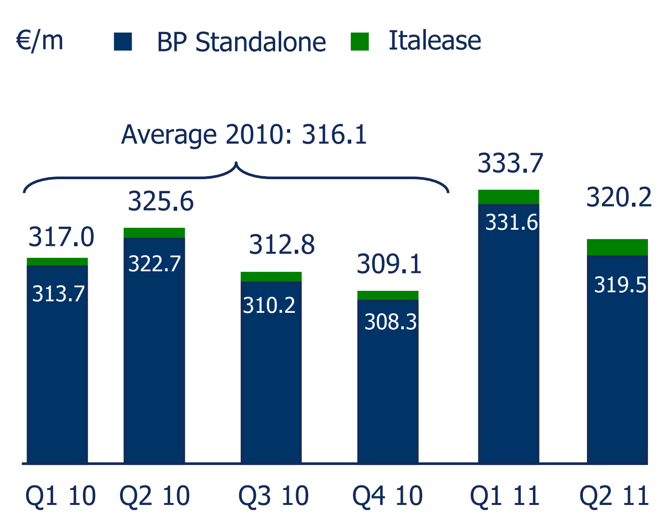


Analysis of Net commissions

€/m

	H1 2011 (Group)	*of which: BP Standalone*	H1 2010 (Group)	*of which: BP Standalone*	% chg. (Group)	*% chg. (Standalone)*
Mgmt. brokerage and advisory serv.	303.8	*303.7*	302.3	*302.4*	0.5%	*0.4%*
Management of c/a and cust. relations	223.0	*222.7*	213.3	*213.3*	4.5%	*4.4%*
Payment and collection services	62.5	*62.8*	55.2	*55.5*	13.4%	*13.2%*
Guarantees given	30.2	*30.6*	30.3	*30.8*	-0.4%	*-0.6%*
Other services	34.4	*31.2*	41.4	*33.9*	-17.0%	*-7.9%*
Total	**653.9**	***651.1***	**642.5**	***635.9***	**1.8%**	***2.4%***

Quarterly evolution



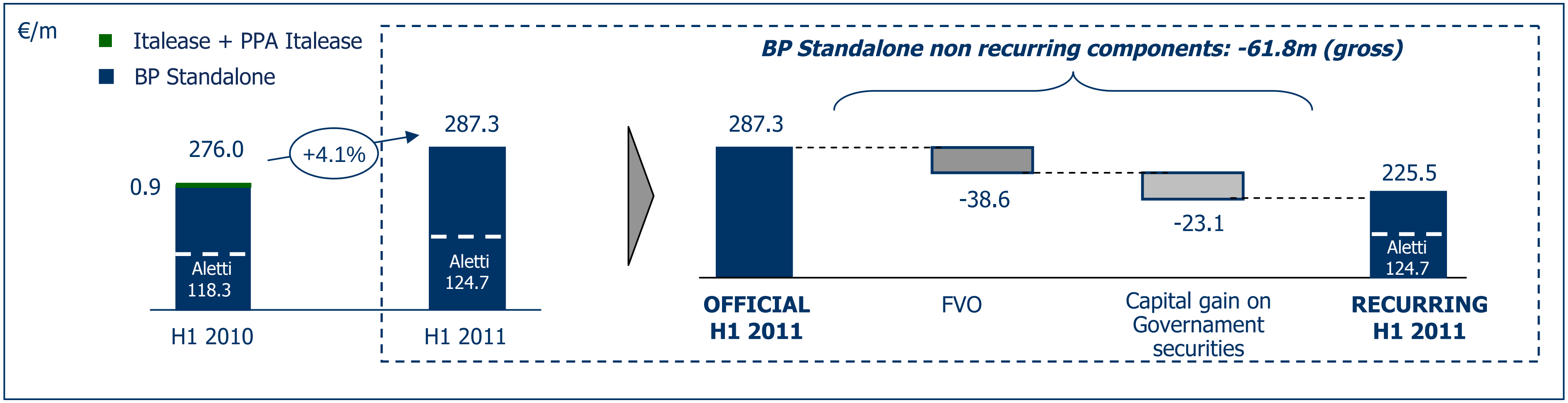
Composition of *'Management, brokerage and advisory services'*

	H1 2011	**H1 2010**	**% Chg.**
Placement of savings products:	216.3	207.8	4.1%
- Securities sale and distribution	*46.2*	*14.9*	*210.4%*
- Asset management	*67.9*	*73.6*	*-7.8%*
- Bancassurance	*102.2*	*119.3*	*-14.4%*
Consumer credit	24.0	32.2	-25.5%
Credit cards and other	23.7	20.1	17.9%
Custodian banking services	6.3	7.6	-17.0%
Trading activities of branch customers	26.9	25.3	6.7%
Foreign currency activity of branch customers	4.7	8.9	-47.3%
Other	1.9	0.5	322.3%
Total	**303.8**	**302.3**	**0.5%**

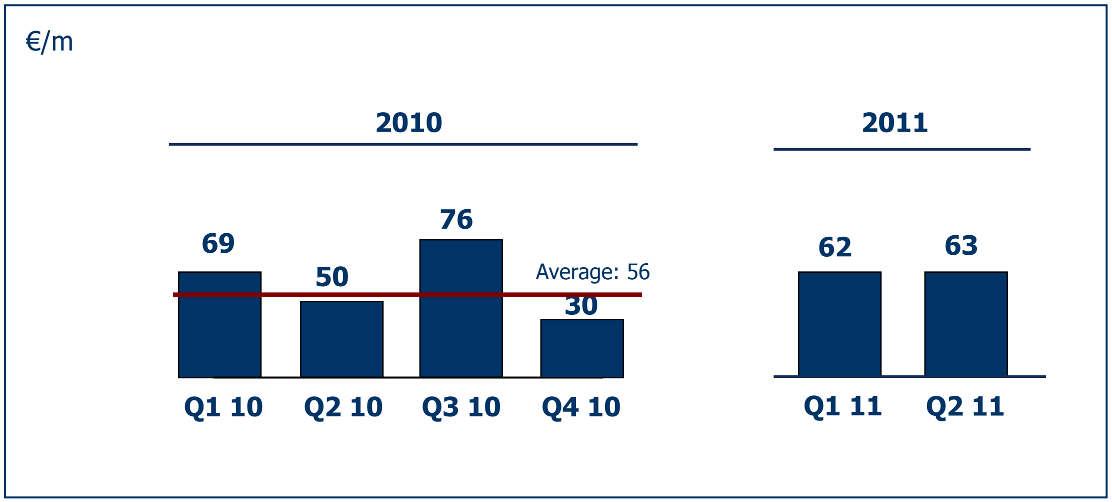
Banco Popolare Group

Net Financial Result

Group Net Financial Result



Banca Aletti contribution to Net Financial Result



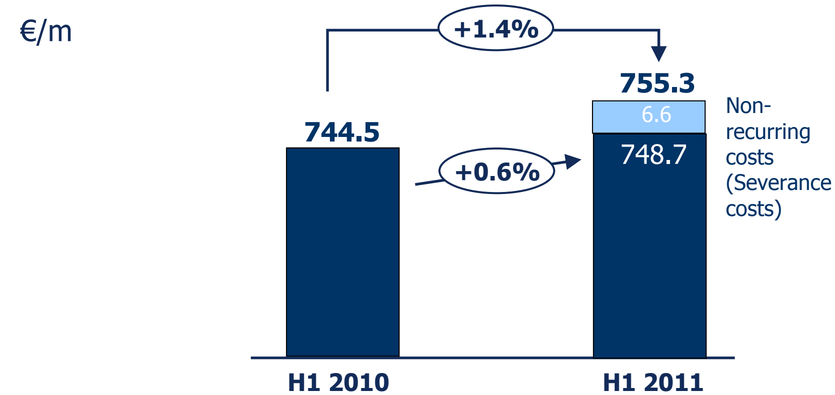
Comments

- The NFR reached €287.3m in the first half of 2011. Excluding +€61.8m of non-recurring items, it amounted to +**€225.5m.**
- The contribution of Banca Aletti to the NFR(i) remains stable in the second quarter of 2011, equal to **€63m** (vs. €62m in Q1 2011), and higher than the quarterly average in 2010 of €56m.

(i) Contribution mainly related to the structuring of investment products sold to clients through the Group's retail branch network; includes structured bonds, certificates, policies, capital-guaranteed, absolute return products, etc.

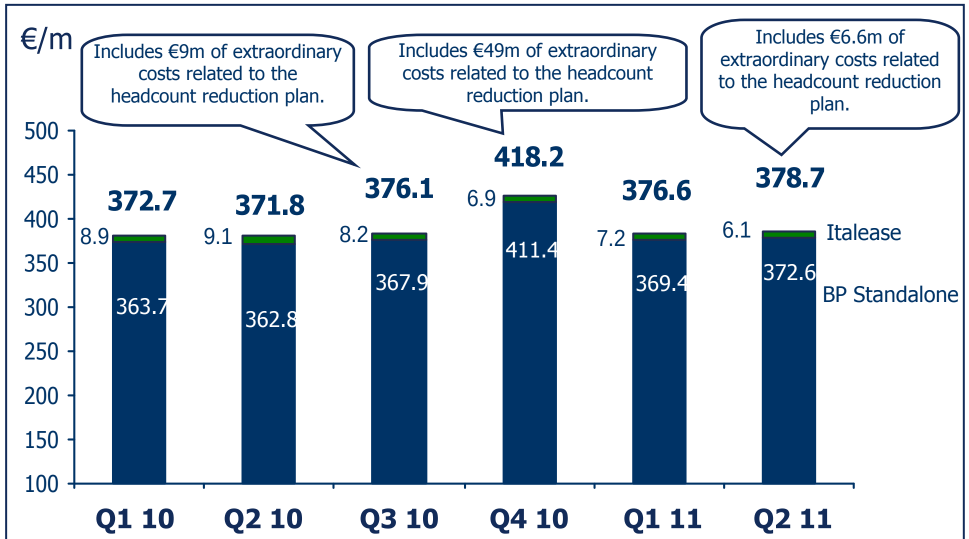
Operating costs: personnel expenses

Personnel expenses

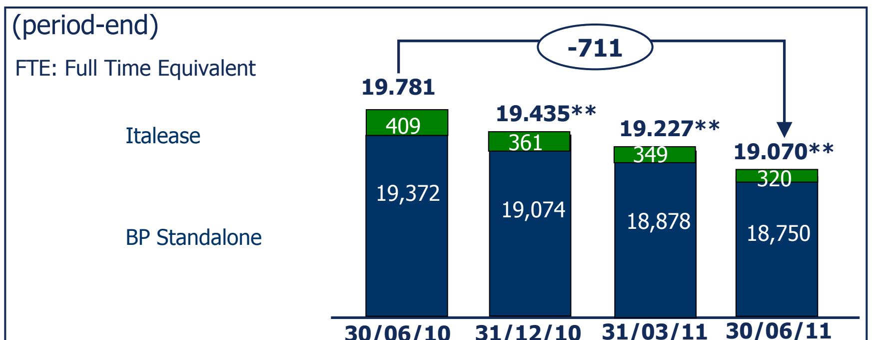


	H1 2010		H1 2011
Headcount FTE (average)	**19,765**	**-420**	**19,345**
Of which:			
- BP Standalone	19,348	-343	19,005
- Italease	417	-77	340

Quarterly evolution



FTE employees*



* Pro-forma figures net of BP Hungary which has exited the consolidation perimeter as a result of its classification as Non-current assets held for sale and discontinued operations (~150 headcount as at 31/12/2010).

** Personnel number is net of employees with termination of contract at the end of the month.

Comments

- The first half of 2011 includes €6.6m of non-recurring costs related to the headcount reduction plan.
- Furthermore, H1 2011 includes costs related to increases of the National Labour Contract expected to amount to about €30m for the full year 2011.
- Group FTE: the average number is down by 420 employees, whilst the period-end data register a decrease of 711 FTE, net of 139 employees who exited with effects from 01/07/2011.

BANCO POPOLARE
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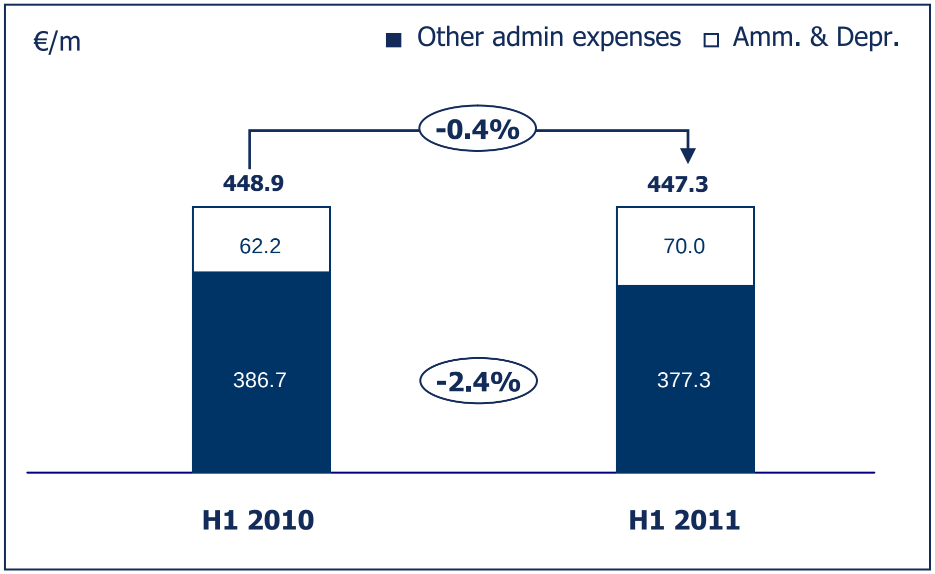
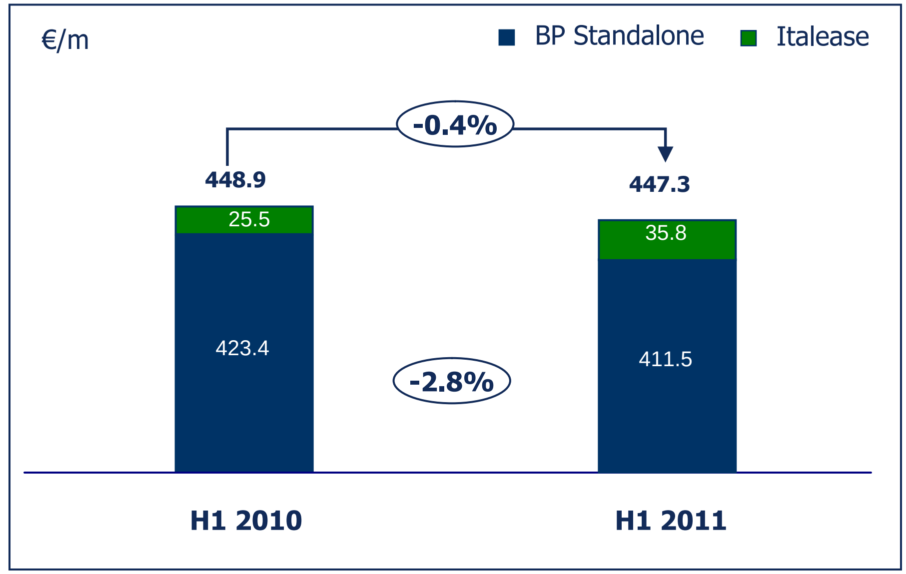
Operating costs: non-personnel expenses

Total non-personnel expenses: analysis by category



Total non-personnel expenses: Standalone and Italease



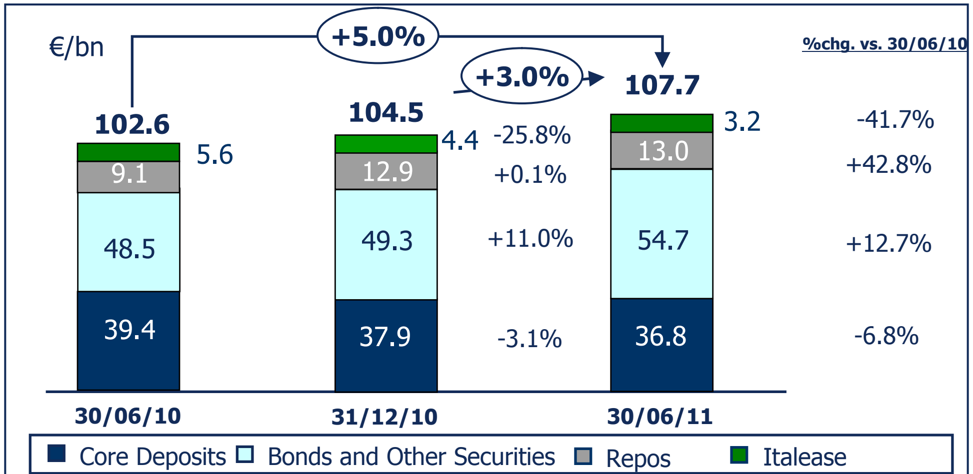
Comments:

- Cost reduction is progressing at Group level (-0.4%), with a drop of 2.4% y/y of Other administrative expenses.
- For the Standalone perimeter, total costs decrease 2.8% y/y (from €423.4m to €411.5m), in particular due to lower rental costs and lower operating expenses related to real estate assets/branches.
- At Italease level, costs increase by €10.3m mainly for extraordinary items, due in particular to legal fees and due to higher amortization of repossessed real estate assets.

Direct customer funds: focus on retail

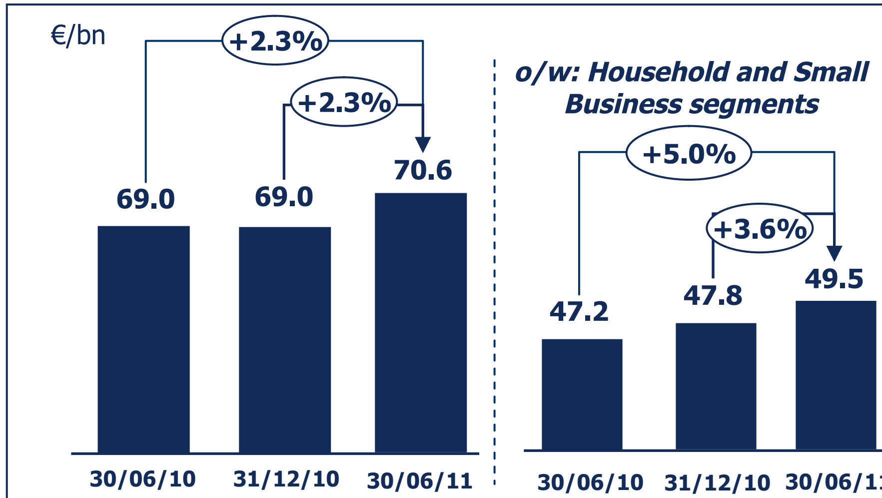
Total direct customer funds

(stock)

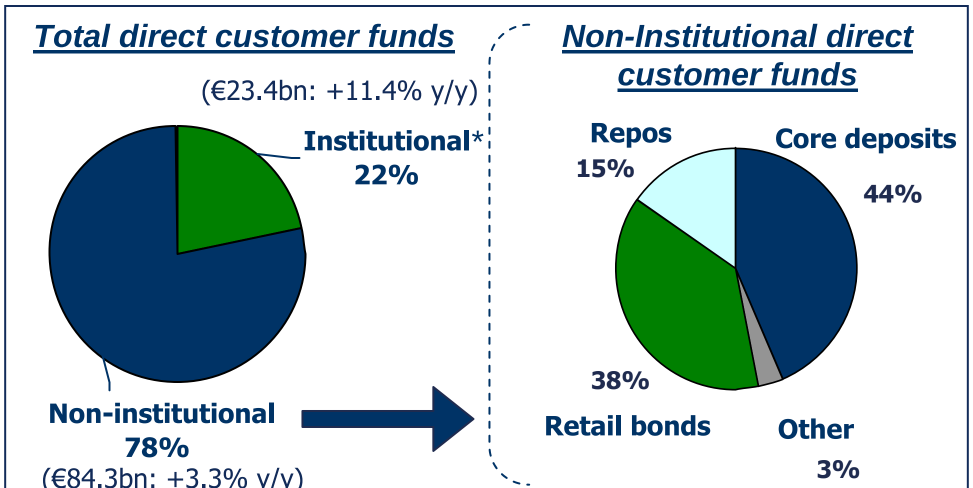


N.B.: Core deposits include CDs placed with retail customers.

o/w: Direct cust. funds of the Banks of the Territory



Direct customer funds breakdown 30/06/11 (€107.7bn)



Note: (*) Including Italease.

Comments

- Total direct customer funds rise 5.0% y/y and 3.0% in the semester.
- Increase in direct customer funds of the Banks of the Territory in the core segments (Households and SMEs) is confirmed: +5.0% y/y and +3.6% in H1 2011.
- Growth of 3.3% y/y in Non-Istitutional direct customer funds (retail and corporate), accounting for 78% of the total; growth of 11.4% y/y in the Institutional component (including Italease funds), with a view to reinforce the Group's liquidity profile and to anticipate the coverage of upcoming maturities.

Banco Popolare Group

Analysis of the Treasury securities portfolio: synthesis

€/m – data as at 30/06/2011

COUNTRY	Amount		% comp.	*AFS*	*HFT*	*HTM*
ITALY	11,374	See details on following slide	96.6%	*6,873*	*4,408*	*93*
SPAIN	199		1.7%	*199*	-	-
GREECE	60		0.5%	*15*	*45*	-
PORTUGAL	-		0.0%	-	-	-
IRLAND	-		0.0%	-	-	-
GERMANY	82		0.7%	*25*	*57*	-
EU COUNTRIES	**11,715**			***7,112***	***4,510***	***93***
EXTRA EU (Switzerland and Croatia)	32		0.3%	*31*	-	*1*
USA	27		0.2%	*27*	-	-
TOTAL SOVEREIGN BONDS	**11,774**		**100.0%**	***7,170***	***4,510***	***94***
% of the Total				***60.9%***	***38.3%***	***0.8%***

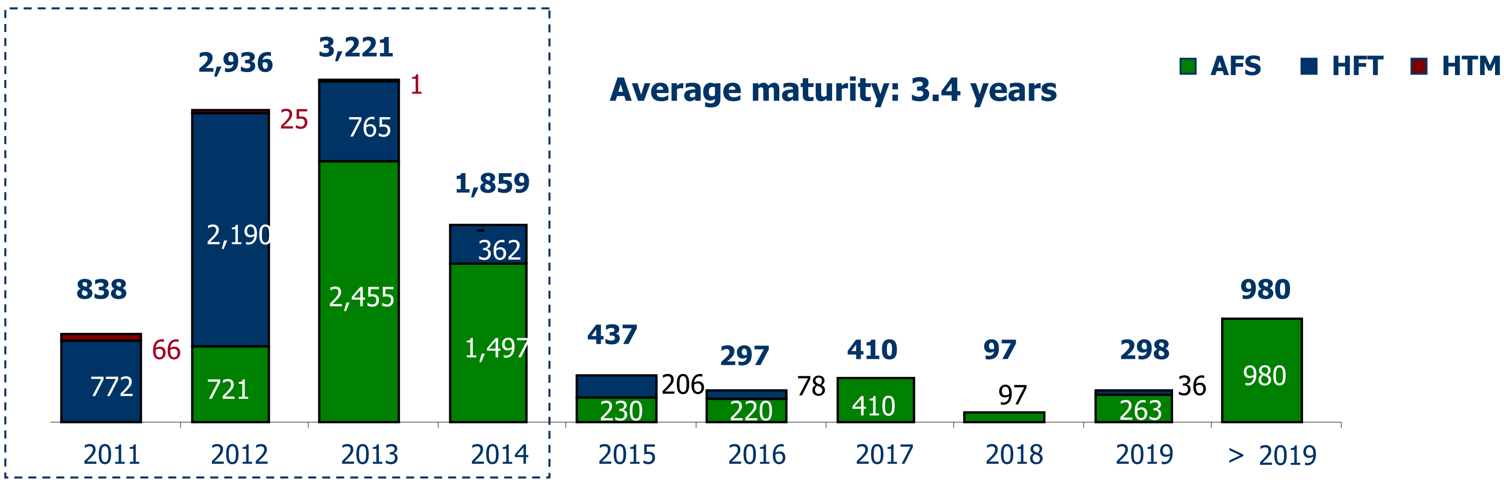
Accounting classification: AFS, HFT, HTM

- Roughly **97%** of the Treasury securities portfolio is represented by Italian government bonds (amounting to **€11.4bn),** of which 60% are classified as AFS (increasing from 44% in Dec. 2010), while 39% are classified as HFT. Italian government bonds account for about 8% of total assets.
- The exposure towards Peripheral government bonds is limited to about **2%** of the total portfolio and amounts to **€259m:** €199m towards Spain and €60m towards Greece; no exposure towards Portugal and Ireland.

Maturities breakdown of the Treasury securities portfolio

€/m

FOCUS ON ITALIAN GOVERNMENT BONDS



FOCUS ON GREEK GOVERNMENT BONDS

CLASSIFICATION	Amount		MATURITY
AFS	6.3	See comment below	2014
AFS	9.0		2019
HFT	12.6		2014
HFT	31.9		2013
TOTAL	**59.8**		

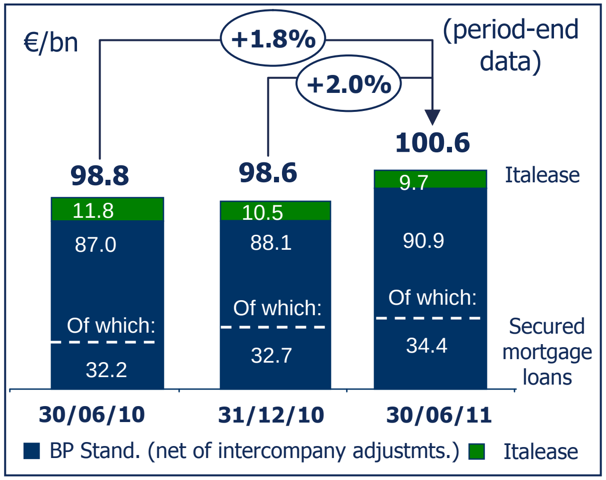
▪ Bonds classified as AFS have been impaired by **€15m** in Q2 2011, on the basis of market prices as at 30/06/2011.

FOCUS ON SPANISH GOVERNMENT BONDS

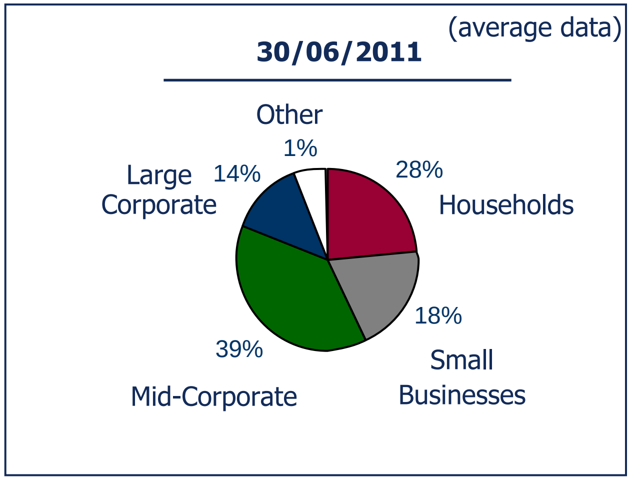
CLASSIFICATION	Amount	MATURITY
AFS	99.6	2014
AFS	99.1	2015
TOTAL	**198.7**	

Customer loans: focus on Retail and SMEs

Gross customers loans



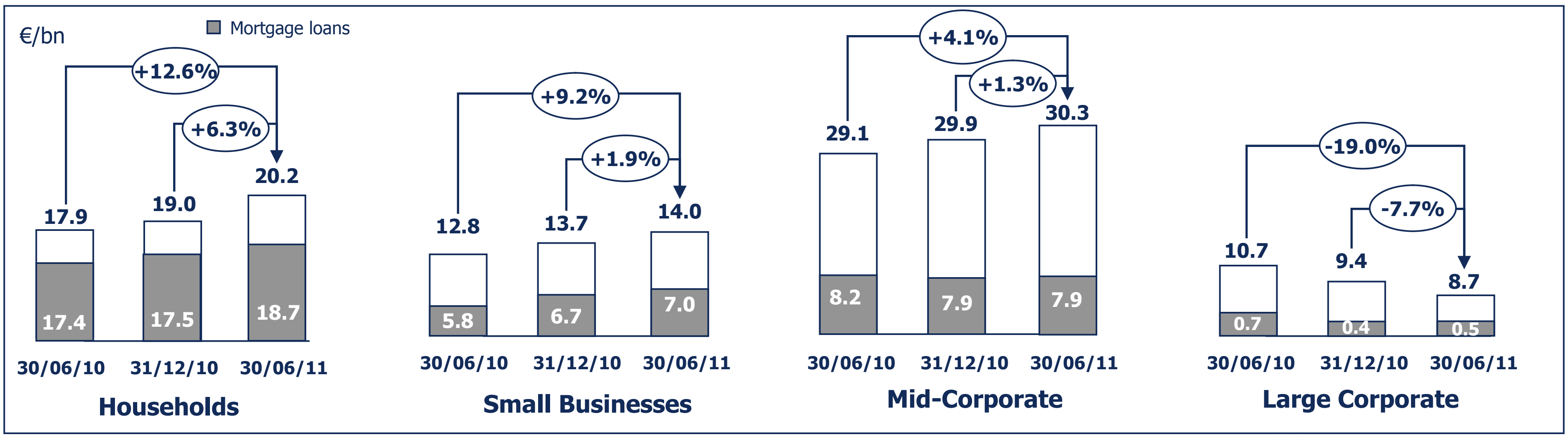
Cust. Loans BdT by segments



Comments

- Gross customer loans rose 1.8% y/y and 2.0% in the 6-month period.
- In particular, growth is confirmed in the core segments: Households +12.6% y/y (+6.3% vs. Dec. '10); Small Businesses +9.2% y/y (+1.9% vs. Dec. '10) and Mid-Corporate +4.1% y/y (+1.3% vs. Dec. '10).
- On the contrary, Large Corporate registered a reduction of -19.0% y/y and -7.7% in the six months.

Banks of the Territory (BdT): increase in customer loans by segments (period-end data)

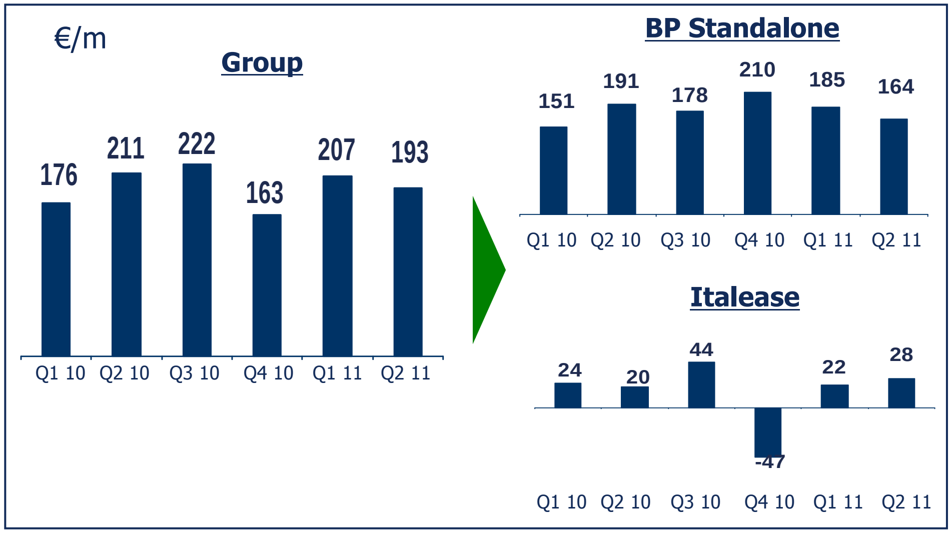


Asset quality: cost of credit risk

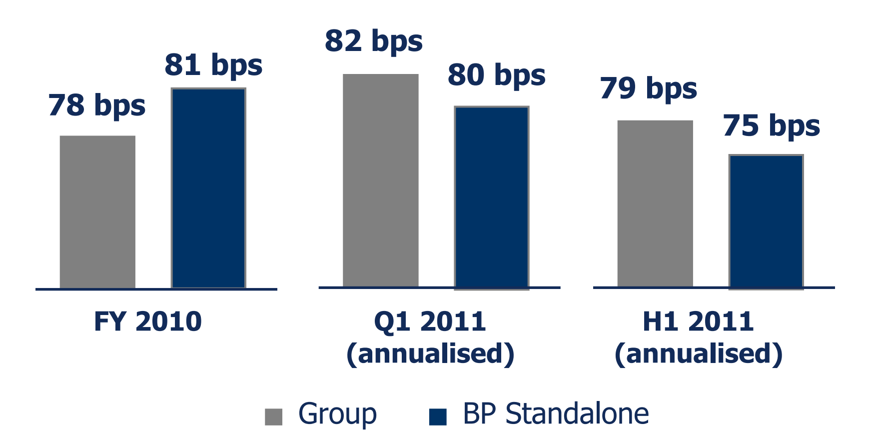
Loan Loss Provisions

€/m	H1 2010	H1 2011	% change
• **Net LLPs**	**386.6**	**399.9**	**+3.4%**
Of which:			
- BP Standalone	*342.0*	*349.8*	*+2.3%*
• **Gross cust. loans**	**98,811.3**	**100,639.1**	**+1.8%**
Of which:			
- BP Standalone	*89,471.4*	*93,202.6*	*+4.2%*

Quarterly evolution of LLPs



Cost of credit risk



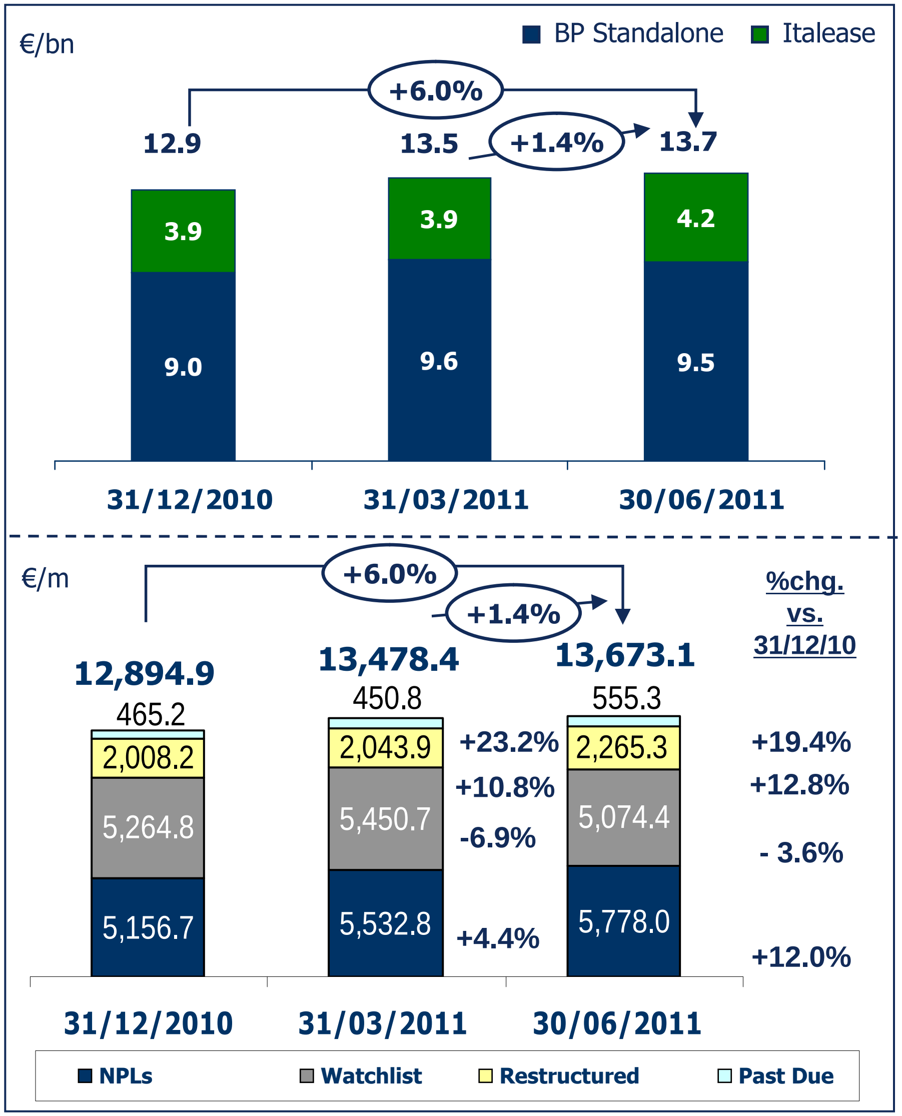
Comments:

- The cost of credit risk of H1 2011 **(79 bps)** is almost in line with the level at year-end 2010, but improving vs. Q1 2011.
- On a 'Standalone' basis, the LLPs of Q2 2011 (€164m) decrease vs. Q1 2011, as well as with respect to the quarterly average of 2010 (€183m) and vs. Q2 2010.
- The increase in Italease LLPs vs. Q1 2011 is mainly due to the increase in provisions for one non-performing loan position; the cost of credit risk of Italease as a whole was 103bps (annualised) in H1 2011.

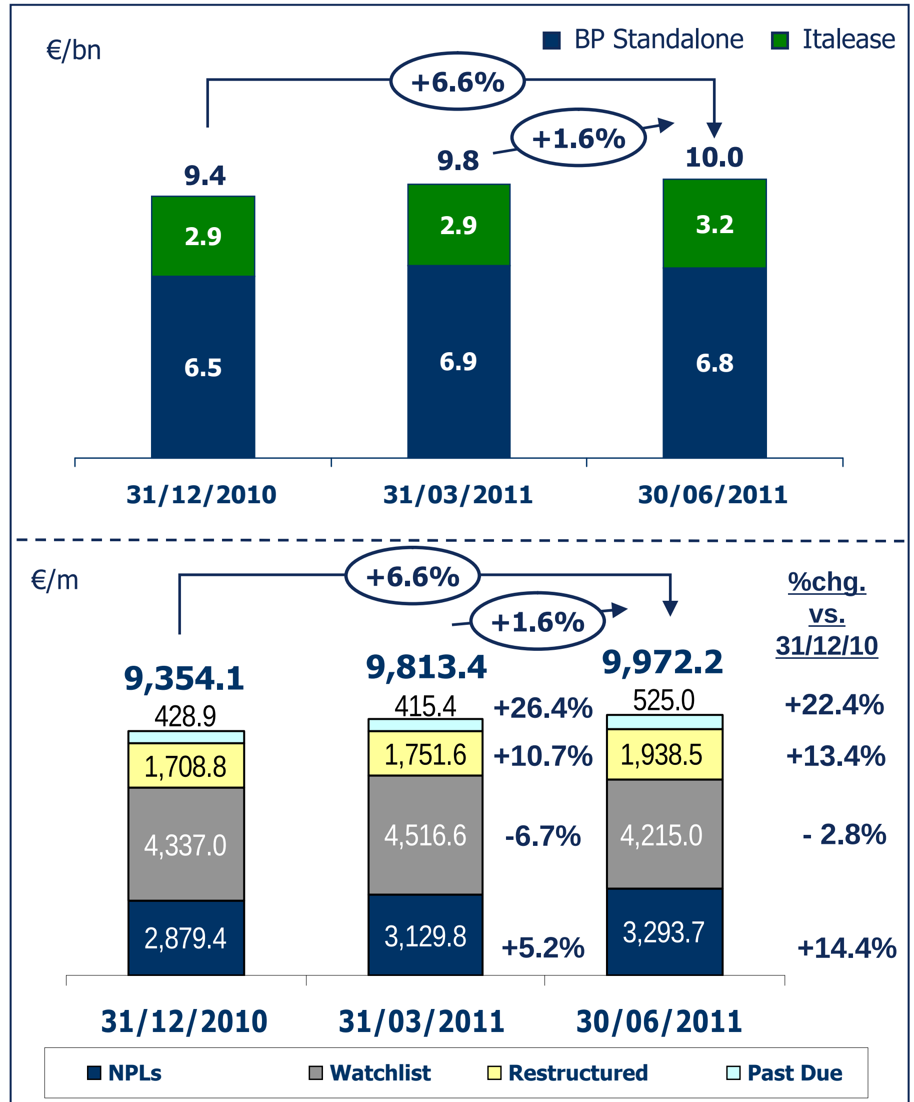
BANCO POPOLARE GRUPPO BANCARIO

Credit quality: Group impaired loans

Gross impaired loans

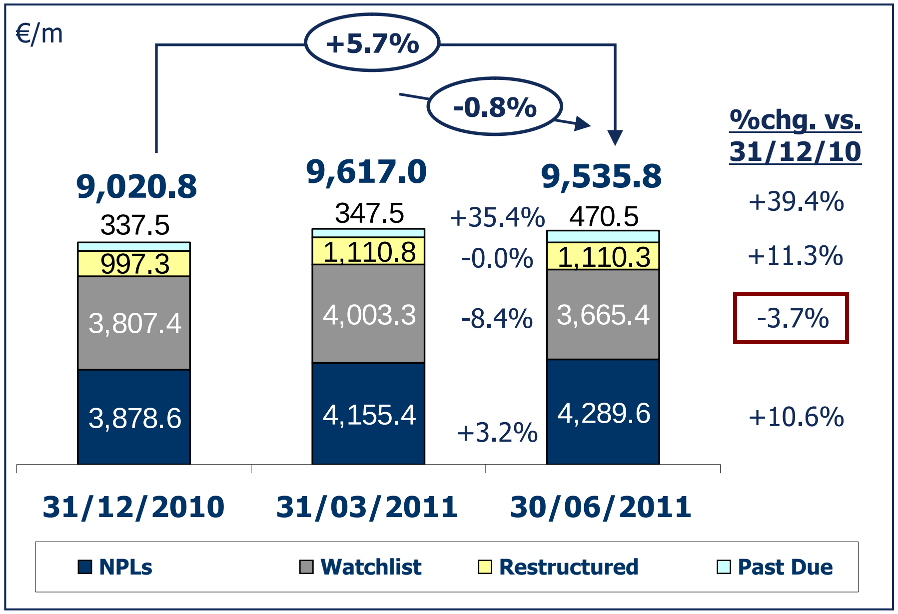


Net impaired loans

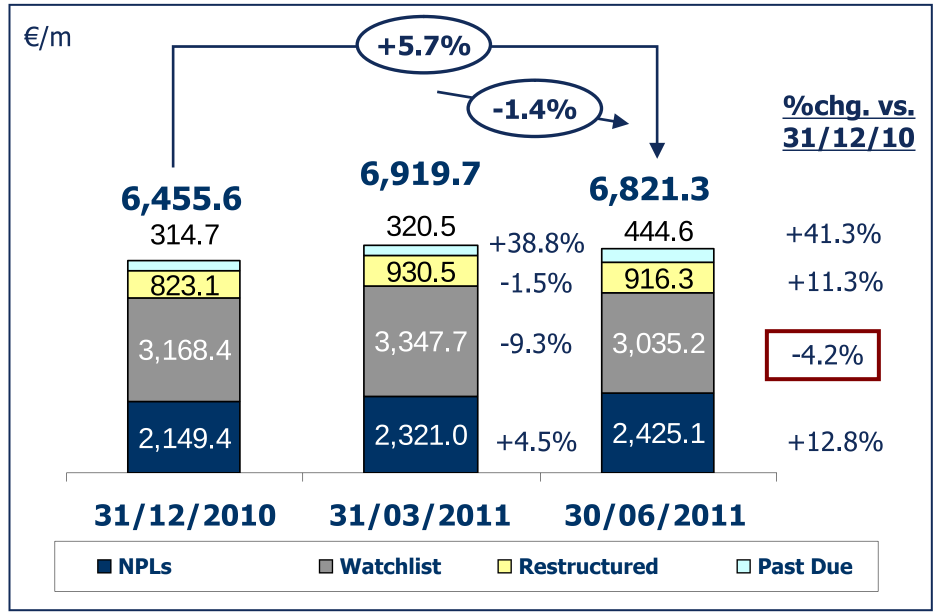


Credit quality: focus on BP 'Standalone'

Gross impaired loans



Net impaired loans



Coverage of impaired loans

	30/06/11	31/12/10
• **NPLs:**		
- Total coverage	**92.3%**	**92.0%**
- Accounting coverage	62.1%	62.7%
• **Watchlist loans**:		
- **Total coverage**	**63.5%**	**61.3%**
- Accounting coverage	17.2%	16.8%
• **Coverage of 'Restructured'**	**17.5%**	**17.5%**
• **Coverage of 'Past Due'**	**5.5%**	**6.8%**

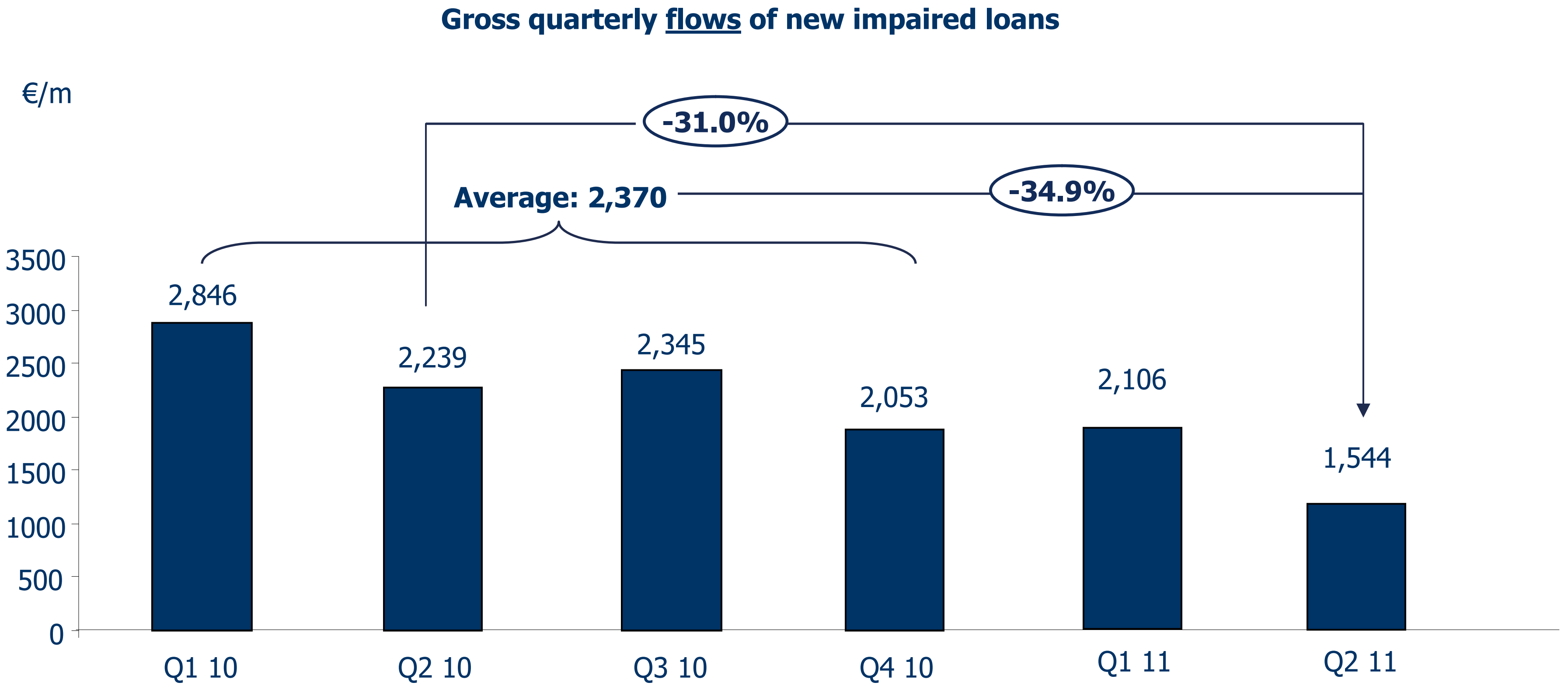
4.7% net of BP Hungary portfolio

N.B.: NPL accounting coverage includes write-offs.
Total coverage includes real estate collateral.

Comments

- The evolution of **NPLs** in Q2 2011 is decelerating vs. the growth of the previous quarter. The coverage is in line with the 2010 year-end level. The portfolio <€250K (mainly secured mortgages), leads to less accounting provisions due to a better collateralization (for these specific positions, the total coverage is equal to 93%), anyhow excluding personal guarantees.
- The **Watchlists loan** portfolio decreases both vs. year-end 2010 and vs. the previous quarter. Such portfolio shows an increasing accounting coverage level and also an increasing total coverage level (inclusive of real estate collateral).
- The stock of **Restructured loans** is in line with the previous quarter and confirm the same coverage level.
- The growth in Q2 2011 of the stock of **Past-Due loans** is almost entirely due to a single position of about €100m which will be normalised during the next semester. The coverage level is diluted by the deconsolidation of the BP Hungary portfolio, which was characterised by an high level of provisions (67% as at year-end 2010).

Significant fall in the flows of new impaired loans



Comments:

- The flows of new impaired loans in second quarter 2011 decreases on an annual basis (-31.0%), but also vs. the quarterly average of 2010 (-34.9%), as well as vs. the first quarter of 2011 (-26.7%).

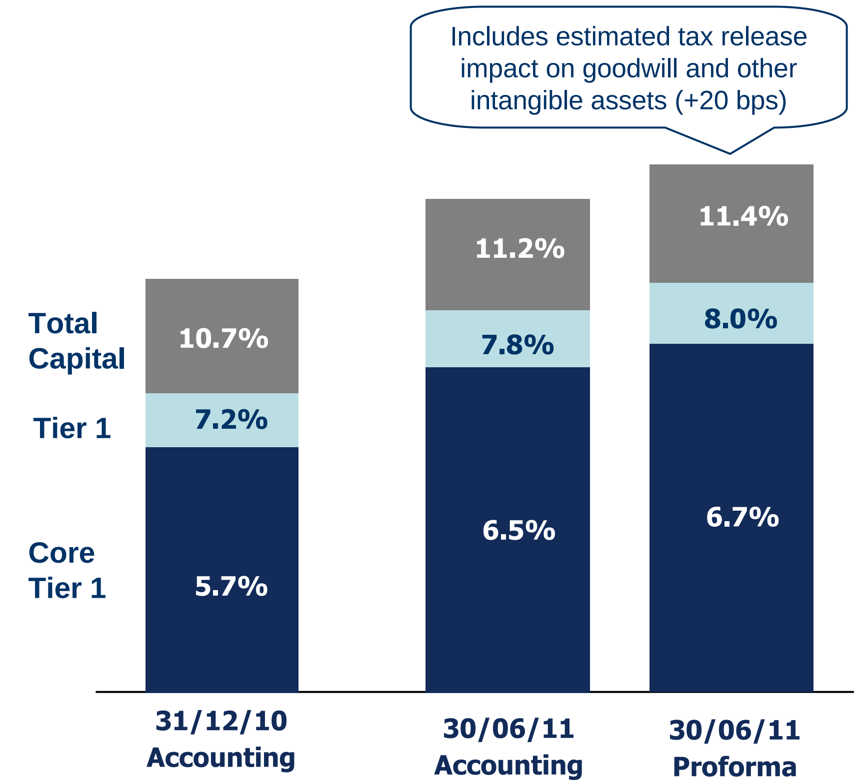
Perimeter: Banks of the Territory.

Banco Popolare Group

Capital adequacy

Banco Popolare Group Capital Ratios

Still based on Standard Methodology



RWA:
€ 94.9bn
Of which:
Italease €10.9bn

RWA:
€ 95.7bn
Of which:
Italease €10.5bn

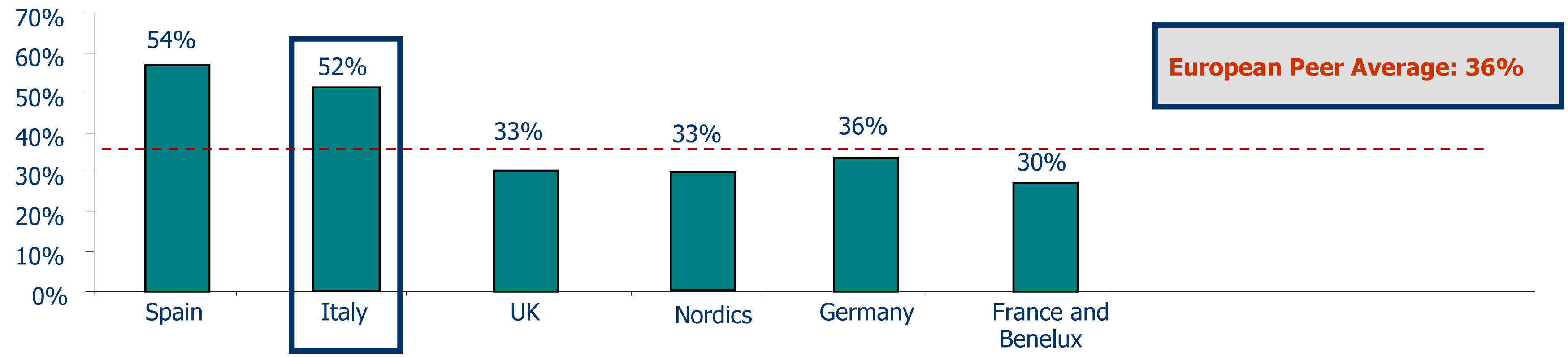
The evolution of capital ratios in H1 2011 includes:

- Impacts deriving from 'Capital Management actions' (finalisation of capital increase, Tremonti Bond redemption) and effect of 'Milleproroghe' Decree under Basle 2 framework: **+66bps**.
- Group H1 2011 performance (net of dividend payout) including the disposal of certain stakes of equity investments (i.e. ICBP, Bormioli, BP Ceska): **+20bps**.
- Risk Weighted Assets evolution registered in the period: **-8bps**.

N.B.: The Group's RWA/Total Assets ratio stood at **69%** on 30 June 2011, which compares with an Italian peer average of 52% on 31 March 2011 and with a European peer average of about 36%.

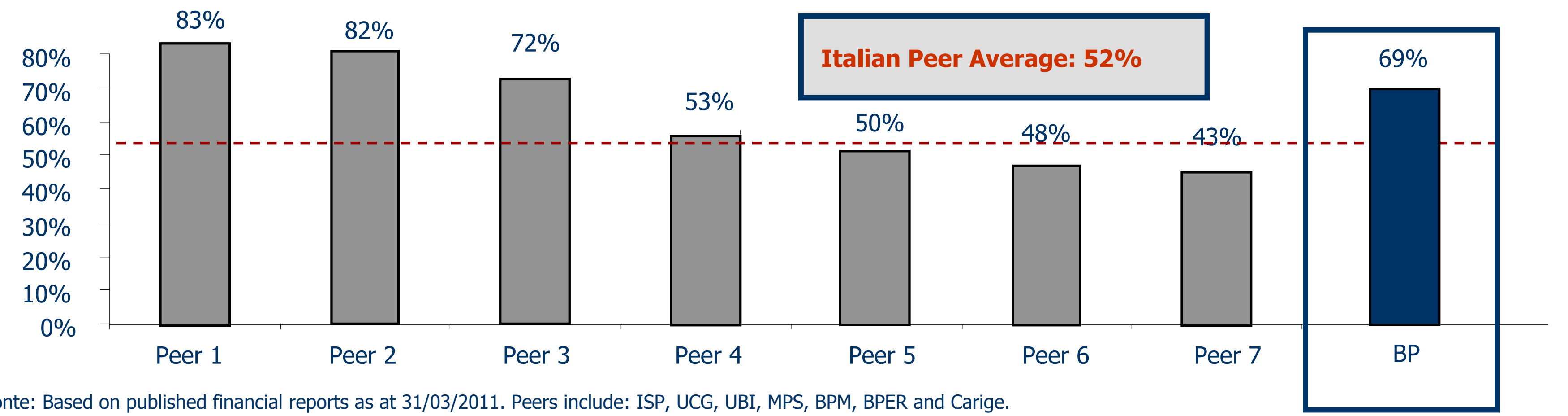
RWA/Total Assets ratio: Banco Popolare vs. peers

European comparison: FY2011E



Source: Internal analysis on the basis of reports published by brokers.
N.B. In addition to the above-exposed countries, the European Peer Average includes also Portugal, Ireland, Austria, Greece and a UK Asian bank.

Italian comparison: data published for 30 June 2011



Fonte: Based on published financial reports as at 31/03/2011. Peers include: ISP, UCG, UBI, MPS, BPM, BPER and Carige.

Notes: The Peer average is calculated as the sum of total RWA over the sum of total assets.

Conclusions

The first half of 2011 has been characterized by:

- Capital strengthening (€2bn capital increase and disposal of non-strategic stakes of equity investments).
- Good and strengthening of the liquidity position (wholesale bond maturities fully covered for 2011 and in good part for 2012).
- Good performance at operating and commercial level.
- Annualized cost of credit risk in H1 2011 substantially in line with FY 2010, but improving on a quarterly basis.
- Generation of a 'normalized' net income of €173mln.

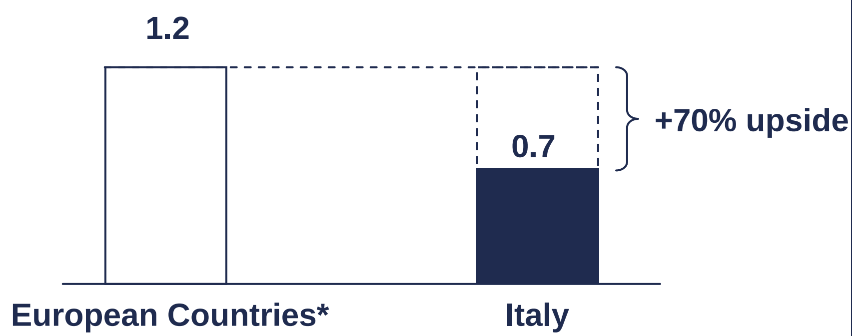
The Business Plan 2011-2013/15 and the Large Banca Popolare project are set to further strengthen the Group's financial profile in terms of capital, liquidity, asset quality and profitability.

Appendix

Opportunities in the Italian market

Italian banking system indicators vs. European Countries

Current accounts / inhabitant



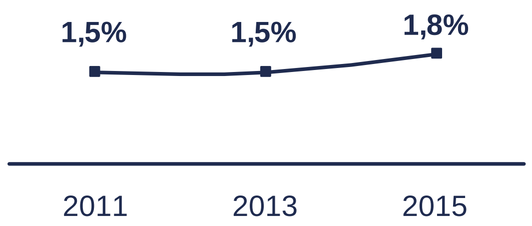
	Italy	European Countries *	Δ
Mortgages / GDP	19%	59%	**-40pp**
Payment cards / Population > 14 years old	1.15	1.50	**-0.35**
AuM / GDP**	17%	19%	**-2pp**

Sources: BCE (data on payment cards, current accounts European countries and Italy as at 2009), Central Banks (for Italian Mortgages), EIU (data as at 2010).
* The benchmark is composed by France, Spain and Germany. Data of current account per inhabitant include also the UK.
** Mutual Funds.

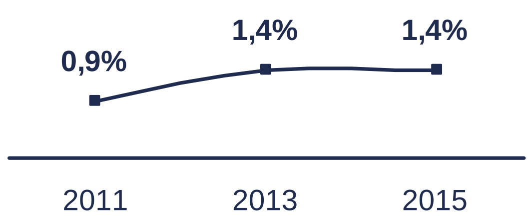
Macroeconomic assumptions underlying the 2011-2013/15 plan

Macro indicators (Δ y/y)

GDP Euro Area



GDP Italy

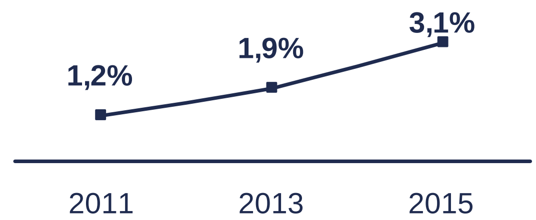


Inflation Italy

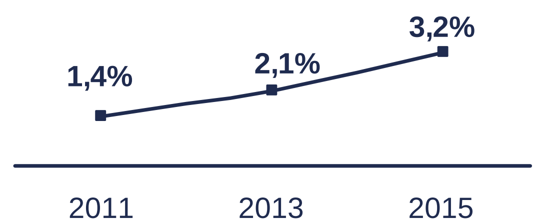
Source: Prometeia March 2011 and Euromonitor for the year 2015 only

Interest rate trend (annual average)

Euribor 1 month



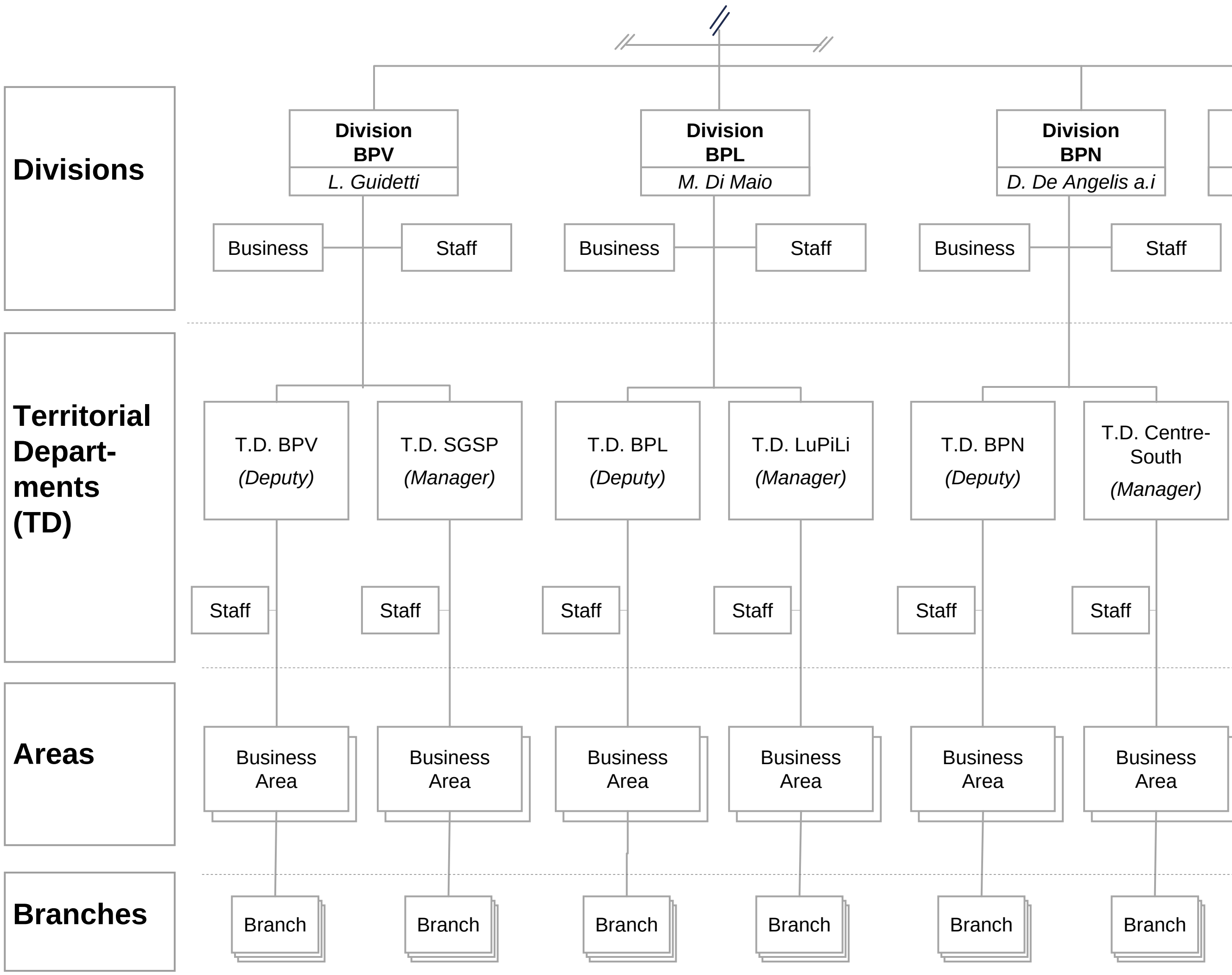
Euribor 3 months



Source: Prometeia March 2011

Conservative interest rate assumptions have been used in comparison with the more recent estimates made by macroeconomic analysts.

Commercial structure with 4 layers and very light staff functions



- **4 balanced Divisions**
- **Business function presence**: Retail, Corporate and Credit
- **Staff functions reduced to the minimum** in comparison with the 'Banks of the Territory' model

- **6 Territorial Departments**
- **Main Territorial Department** with role of Deputy of the Division heads
- **Remote Territorial Department** located in the centre of the territory served

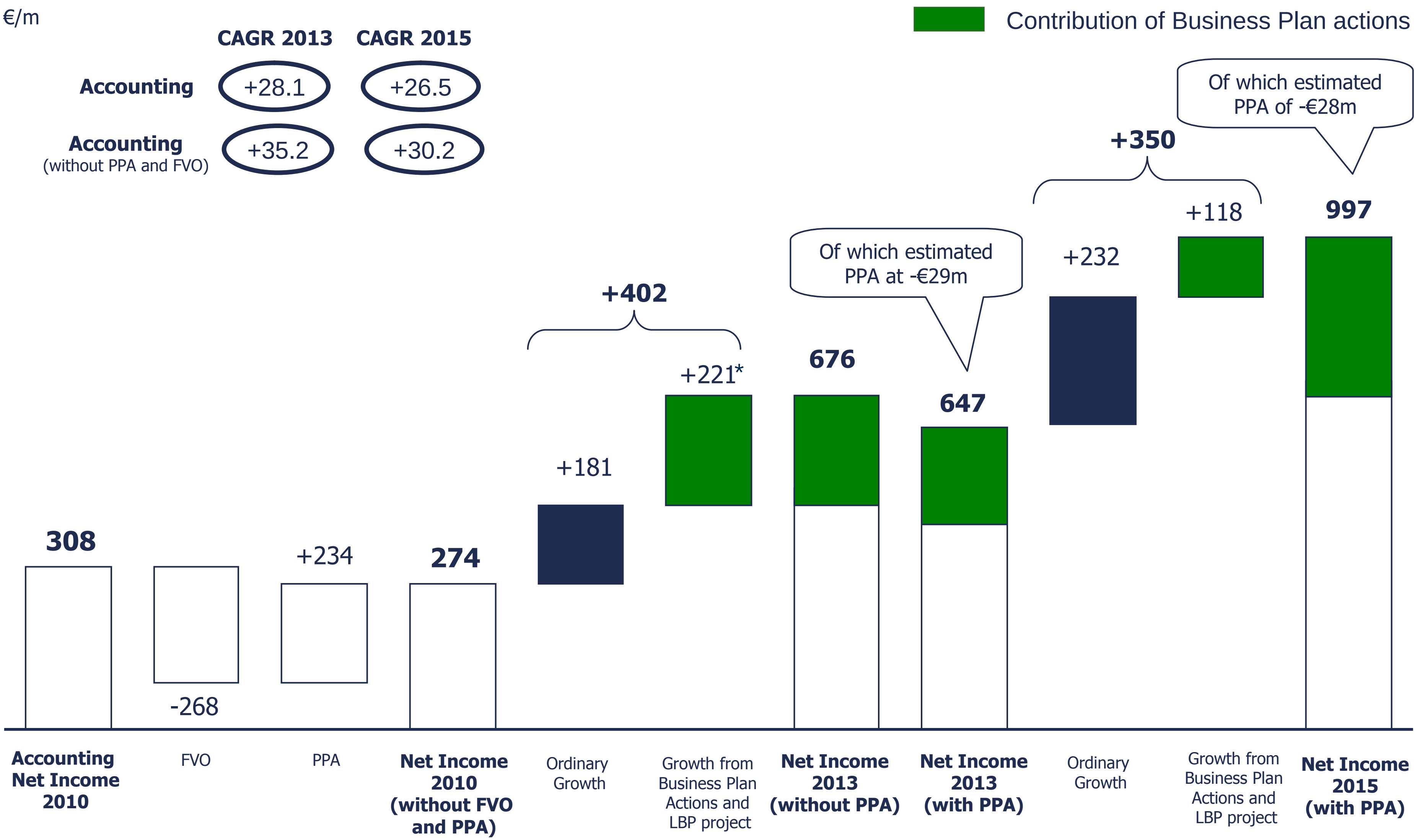
- **Re-allocation and optimisation** of the current Business Areas within the Territorial Departments of reference
- Introduction of "light" Business Areas to increase the commercial grip in dense areas

Appendix: Business Plan 2011-2013/15

Net Income growth

€/m

	CAGR 2013	CAGR 2015
Accounting	+28.1	+26.5
Accounting (without PPA and FVO)	+35.2	+30.2



* Please refer to slide 34 for details.

BANCO POPOLARE GRUPPO BANCARIO

Projects for Efficiency

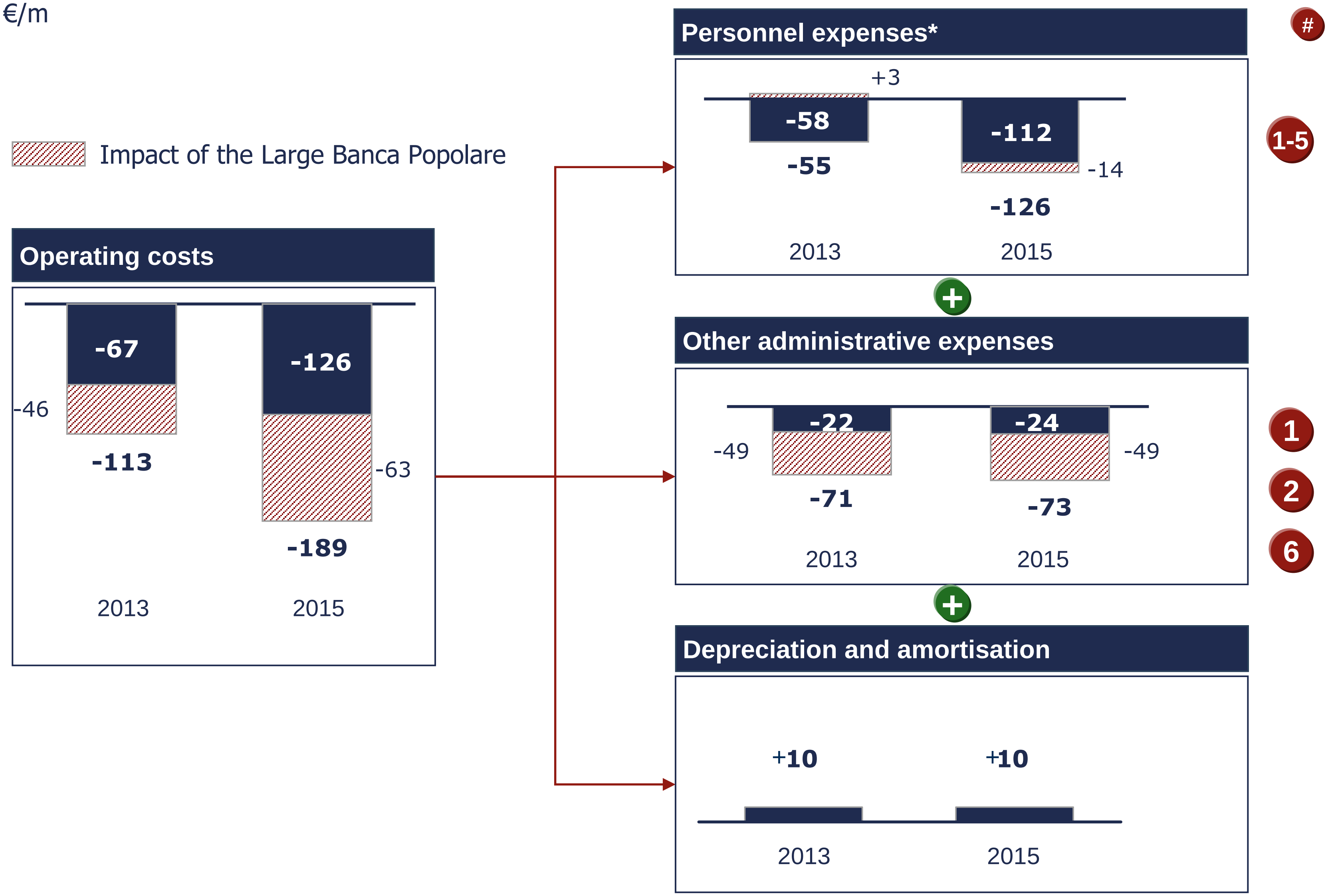
Projects	Actions
1 **Simplification of the Group structure**	• **Large Banca Popolare project** and sale of **2 foreign Banks**
2 **Territorial reorganisation**	• **Removal of commercial overlapping** among branches **through the large Banca Popolare project**
3 **Organisational simplification** of the Holding and the Banks of the Territory/Territorial Divisions and **operational simplification** of the branches	• **A new Governance and a new territorial model for the release of resources** and elimination of inefficiencies and duplication in activities
4 Action focus on **franchise structure**	• Transfer of **400 resources** from areas of low attractiveness to attractive areas
5 "**One customer, One Bank**"	• Assignment to a single Bank of **customers shared between different Banks**
6 **Cost control** actions	• Cost savings on **administrative expenses and infra-group VAT**
7 **Real estate asset valorisation**	• **Rationalisation of 50% of Italease non-core fixed assets** by 2013

Target 2013: to release beyond 2,000 human resources to sustain customer base development and allow staff reduction

Appendix: Business Plan 2011-2013/15

Operating Costs: impact of Business Plan projects

€/m



* Data includes one-off costs (€6m in 2013 and €15m in 2015) related to the headcount reduction plan.

Projects for Growth

Projects	Actions
1 Strengthening of the local network bank model: - Return to the central role of the Branch - Change of the Retail-Corporate threshold from €2.5m to €5m of turnover	• Transfer from Corporate Customer Centres **to the branches of 15,000 Small Businesses** with up to €5m of turnover
2 Retail development: - **New customer relationship managers** - Introduction of a **new organisational function** dedicated to business development - Indentification of **branches** for **customer development** and **dedicated MBO**	• Introduction of 900 resources dedicated to the development of business with Small Businesses and Affluent customers • Release of new "**Youbanking**" on-line channel
3 Corporate development thanks to client managers released by: - New Retail-Corporate segmentation threshold - Elimination of multiple relations of clients with Group BoT/TDs	
4 New service models for: - Small businesses and Agriculture - Affluent - Mid Corporate	
5 Synergies between Banca Aletti and Banks of the Territory/Territorial Divisions	• **Banca Aletti cross-selling** for more than 2,000 Bank of the Territory/TD customers
6 New branches in historical areas and areas of minor presence	• Opening of **30 new branches**

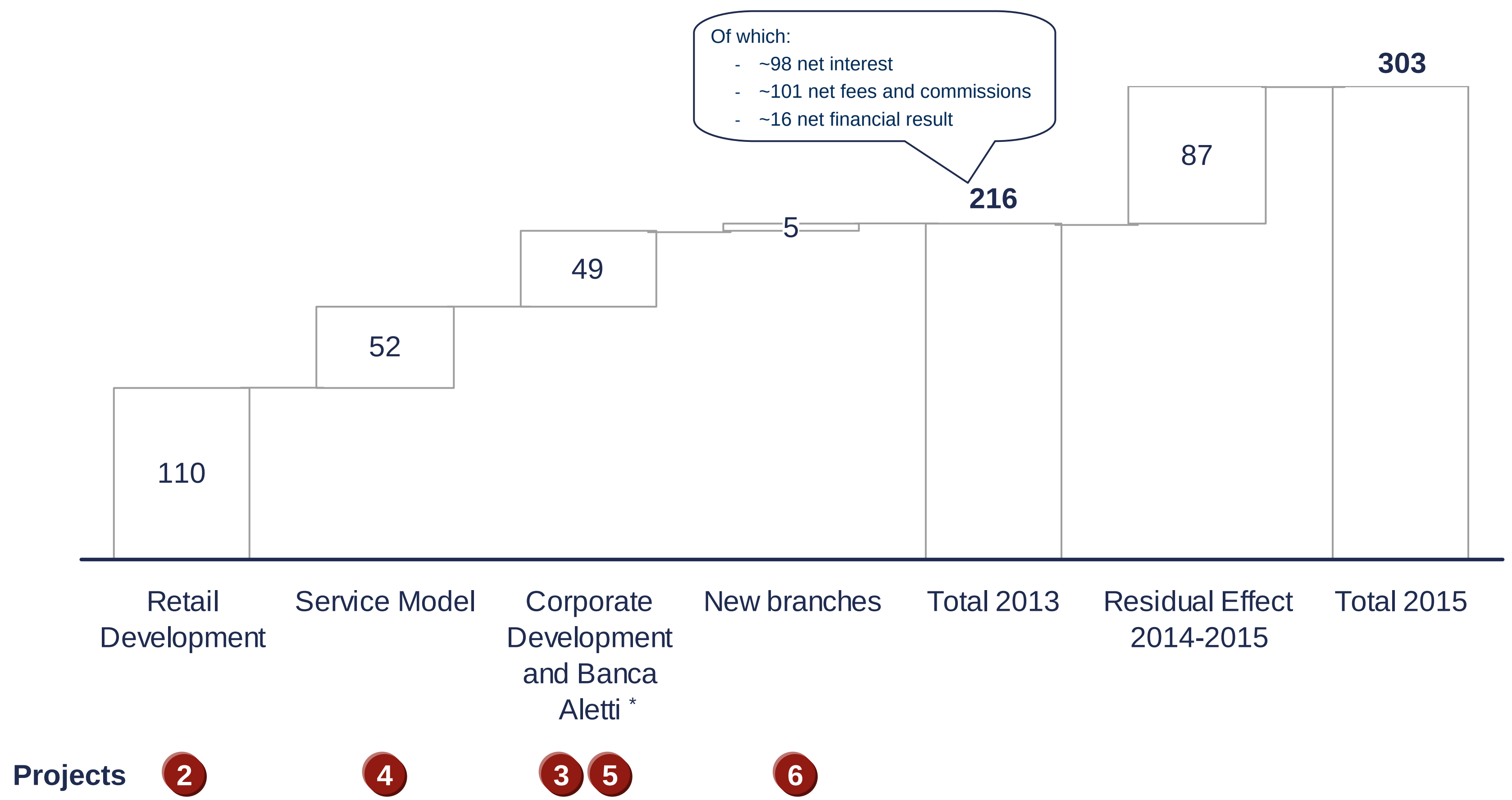
Target: 185k new customers in 3 years*

*To which about 65,000 from ordinary growth can be added.

Appendix: Business Plan 2011-2013/15

Projects for Growth: summary of expected benefits

Impact on Total Revenues from Business Plan actions, 2013 vs. 2010, €/m



*Includes the Net Financial Result generated by Banca Aletti as a result of increased production volumes of Business Plan actions

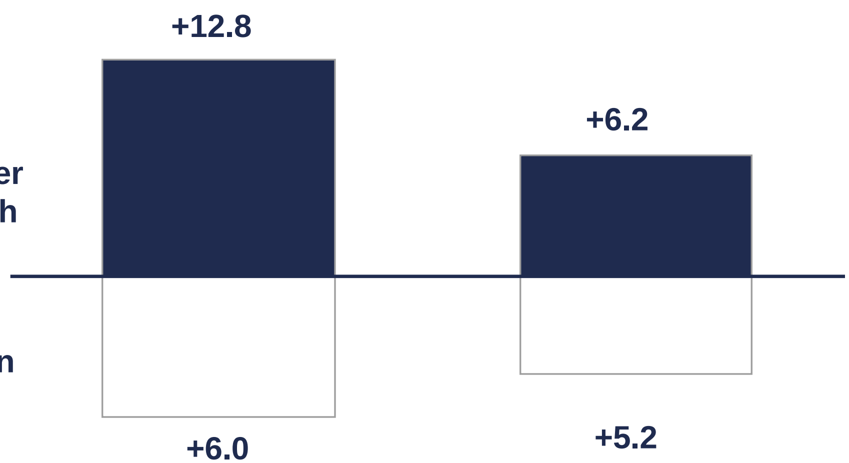
Liquidity trend: growth thanks to commercial policy

€/bn

2011 – 2013 cumulative | **2014 – 2015 cumulative**

Direct Customer Funding growth (y/y)

Customer Loan growth (y/y)



Liquidity
(Δ Direct Customer Funds – Δ Customer Loans)

	2011 – 2013 cumulative	2014 – 2015 cumulative
Liquidity	+6.8	+1.0

Comments

- The liquidity benefits from a growth in customer funds higher than the expected loan growth.
- In particular, the Group commercial activity assumes the generation of a surplus of roughly €7bn by 2013 and €1bn in the period 2014-2015.

Key Liquidity ratios

	2013	2015
Loan/Deposit Ratio*	85%	84%
NSFR (in force from 2018)	>100%	>100%
LCR (in force from 2015)	~100%	>100%

Redemptions and issues on the wholesale market

- Institutional bond redemptions in 2011-2013 amount to €10.6bn (€9.5bn as at 31/05/2011)
- Issues already completed in Q1 2011: €4.1bn
- Institutional bond redemptions in the period 2014-2015 amount to €6.8bn

Note: * 'Deposits' include the following liability items under the Bank of Italy accounting scheme: item 20 (Due to Customers), item 30 (Securities issued) and item 50 (Financial liabilities designated at fair value). The ratio is calculated, conservatively, using gross customer loans.

Capital strengthening policies

Objectives (bps)

Projects

Capital Management and Optimisation

Area	Policies	Objectives (bps)
Balance Sheet Structure and Capital Management	• **Sale of "Non Core" Assets** to strengthen our capital structure in view of Basle 3 (1) • **Capital Management and Capital Optimization**: - Strengthening of capital structure in view of Basle 3 - Management of Funding policies for commercial business mix	60
Active Management of the Risk/Return Ratio	• **Risk mitigation**: - Increased effectiveness and efficiency levels of the Rating Models - Expansion of risk mitigation techniques and guarantee management • **Risk measurement**: - Advanced measurement method - Internal models (A-IRB) to measure capital requirements against Credit Risks	80
Capital Planning and Optimization	• Monitoring of the business portfolio in terms of **risk/return ratio and value creation (EVA)** • **Capital allocation to business units** and assignment of risk/return objectives • **Risk-adjusted pricing models** • **Inclusion of risk indicators in MBO systems**	

(1) Includes positive impact of Agos Ducato (Business Plan presented to the market on 30 June 2011); currently not feasible.

Actions to contain credit risks

Lending policy guidelines

• Portfolio reallocation based on the prospective risk level of the industry sectors, and corresponding adjustment of loan volumes, taking into account also the specific weight of each sector at single Commercial Bank (Banks of the Territory) level.

• Preventive focus on customers giving signs of possible loan impairment across the single industry sectors, by adopting methods based on trend analysis and macroeconomic forecasts.

Monitoring of the performing loan portfolio

• The Management and Monitoring process was revised with respect to the performing loan portfolio, to Rationalise and simplify the existing tools and rules. In brief, the main actions were:

• Revision of detection events and rules.

• Revision and simplification of business classifications.

• Rationalisation of the IT platform and of the management / monitoring processes, through a more efficient trend monitoring and management, focusing on counterparties evidencing signs of distress.

• Revision and expansion of reporting and control for the Retail Banks (Banks of the Territory).

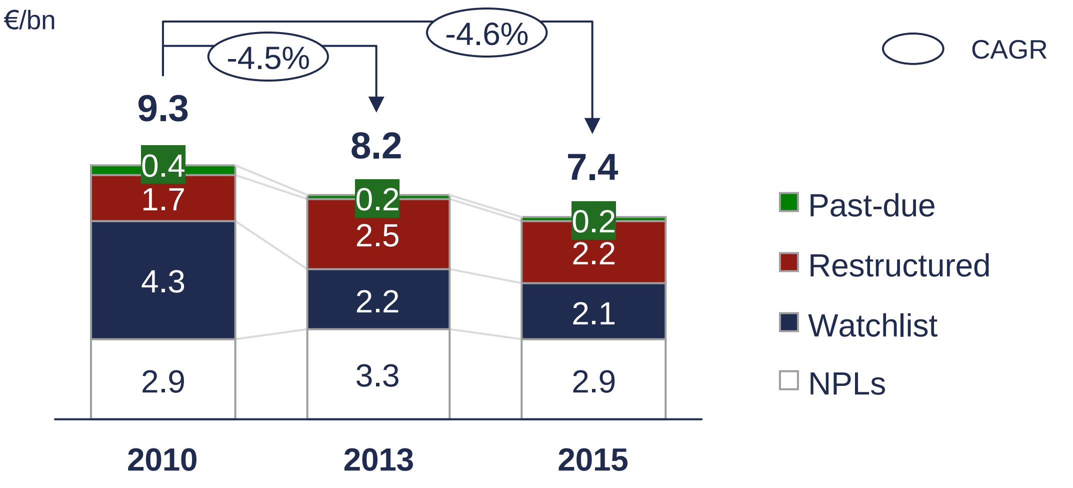
Management of impaired loans

• Beefing up of the resources dedicated to this specific activity, which among other things entails a stronger involvement of Branch Managers and of local Account Managers.

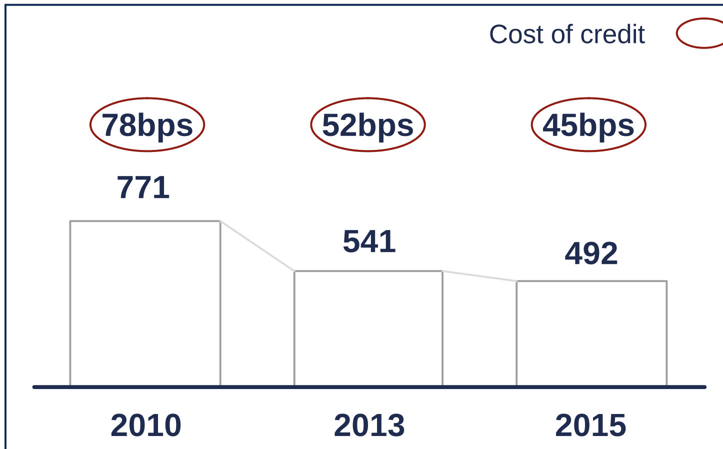
Appendix: Business Plan 2011-2013/15

Focus on credit: Banco Popolare Group

Evolution of net impaired loans

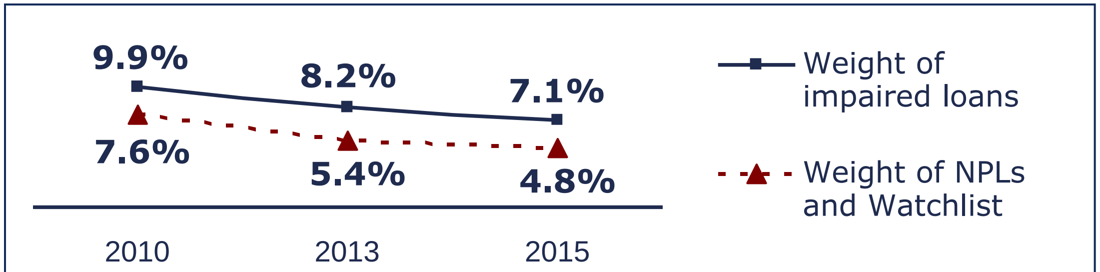


Loan Loss Provisions



Cost of credit calculated on gross customer loans.

Evolution of net impaired loan to net customer loans ratio



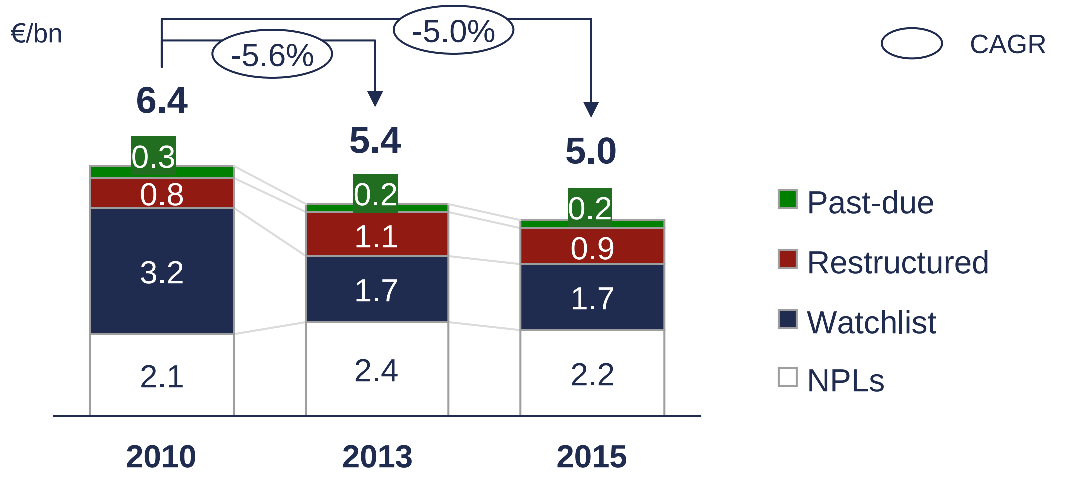
NPL coverage

	2010	2013	2015
- Total	95.9%	98.7%	>100%
(incl. real estate collateral only, i.e. no personal guarantees)			
- Accounting (including write-offs)	59.5%	62.3%	62.9%

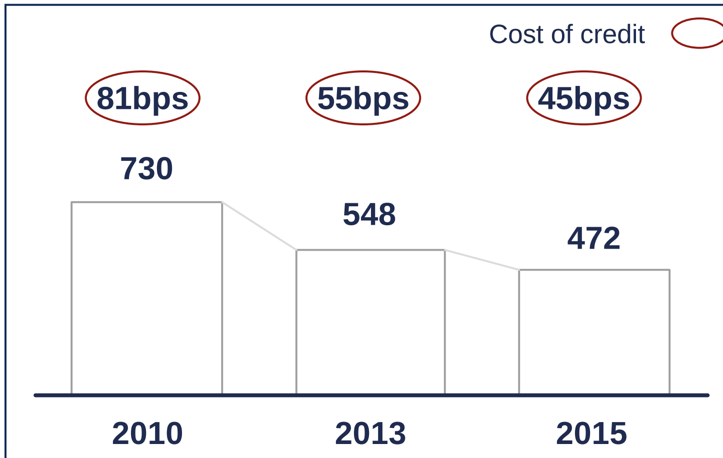
- **In 2013,** net NPLs grow at a CAGR of 3.9% versus 2010, by while net Watchlist decrease by 20.8%.
- **In 2015**,net NPLs are expected in line with the 2010 level (CAGR: +0.0%), while net Watchlist loans decrease at a CAGR of 13.6%.

Focus on credit: Banco Popolare standalone

Evolution of net impaired loans

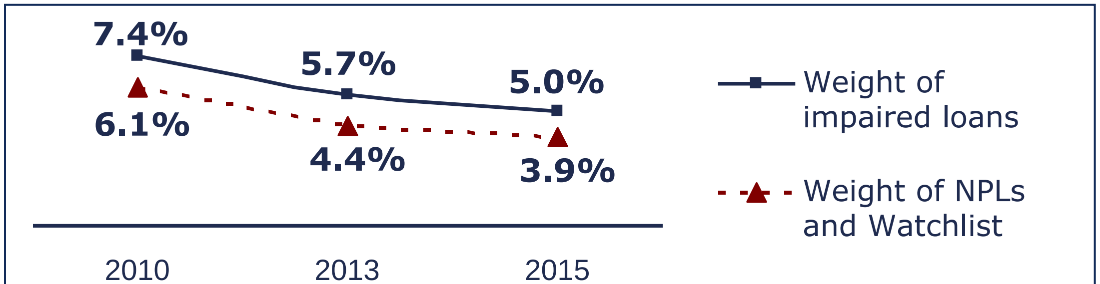


Loan Loss Provisions



Cost of credit calculated on gross customer loans.

Evolution of net impaired loan to net customer loans ratio



NPLs coverage

	2010	2013	2015
- Total	92.0%	95.6%	>100%
(incl. real estate collateral only , i.e. no personal guarantees)			
- Accounting (including write-offs)	62.7%	66.6%	67.0%

- **In 2013,** net NPLs grow at a CAGR of 4.5% versus 2010, by while net Watchlist decrease by 18.5%.
- **In 2015**, net NPLs are expected in line with the 2010 level (CAGR: +0.0%), while net Watchlist laons decrease at a CAGR of 11.4%.

Market and Operational risk management policies

Risk Management Policies

Market Risk

- **Evolution of Market Risk measurement techniques:**
  - Upgrade of measurement platforms and tools
  - Revision of the management policies of *Risk Taking Centers* aiming at optimizing exposures and mitigating total capital absorption, also in view of Basle 3
- **Adoption of Internal Models to measure capital requirements:**
  - Integration of methodological actions and applications
  - Finalization of the Validation Process and filing of a formal request with the Supervisory Authority

Operational Risk

- **Continuing optimization of operational risk management:**
  - Proactive management through and "ex-ante mitigation" approach
  - Upgrade of risk management systems, along an integrated and inter-functional approach
  - Follow-through of measures to develop Loss Data Collection processes

Large Banca Popolare project: the implementation path

• Extraordinary Shareholders' Meeting for statutory changes	November 2011
• Merger Act finalisation	by December 2011
• Completion of the roll out of the IT systems	June 2012
• Effectiveness of fiscal and accounting impact	January 2011

Appendix: Banco Popolare Group

Consolidated income statement as at 30/06/2011: breakdown

Reclassified income statement - €/m	H1 2011 Banco Popolare Group (PPA line-by-line)	H1 2011 Banco Popolare (Standalone)	PPA ex-BPI	Italease	PPA Italease
Net interest income	886.2	916.4	(44.9)	37.3	(22.7)
Profit (loss) on equity investments carried at equity	22.9	27.6		(4.7)	
Net interest, dividend and similar income	**909.1**	**944.0**	**(44.9)**	**32.6**	**(22.7)**
Net commissions	653.9	651.1		2.8	
Other revenues	34.4	35.4	(18.8)	17.8	
Net financial income	287.3	290.9	(3.7)	4.2	(4.2)
Other operating income	**975.6**	**977.4**	**(22.4)**	**24.9**	**(4.2)**
Total income	**1,884.7**	**1,921.4**	**(67.4)**	**57.5**	**(26.8)**
Personnel expenses	(755.3)	(742.0)		(13.3)	
Other administrative expenses	(377.3)	(353.8)		(23.6)	
Amortization and depreciation	(70.0)	(55.8)	(1.9)	(12.3)	
Operating costs	**(1,202.7)**	**(1,151.5)**	**(1.9)**	**(49.2)**	**-**
Profit from operations	**682.0**	**769.9**	**(69.3)**	**8.3**	**(26.8)**
Net write-downs on impairment of loans, guarantees and commitments	(399.9)	(349.8)		(50.2)	
Net write-downs on impairment of other financial transactions	(27.1)	(27.5)		0.4	
Net provisions for risks and charges	(2.3)	1.8	0.0	(4.1)	
Impairment of goodwill and equity investments	-	-		-	
Profit (loss) on disposal of equity and other investments	62.7	54.5	(6.7)	14.9	
Income before tax from continuing operations	**315.4**	**449.0**	**(76.0)**	**(30.7)**	**(26.8)**
Tax on income from continuing operations	(138.0)	(167.5)	20.7	0.2	8.5
Income (Loss) after tax from non-current assets held for sale	22.0	22.0		-	
Minority interest	(8.0)	(10.8)	0.3	2.4	0.1
Net income for the period	**191.4**	**292.7**	**(54.9)**	**(28.1)**	**(18.3)**

: +€14.6m

+€237.8m

-€46.4m

BANCO POPOLARE
GRUPPO BANCARIO

Appendix: Banco Popolare Group

Consolidated income statement as at 30/06/2011: annual change

	INCLUDING PPA line-by-line			EXCLUDING PPA line-by-line		
Reclassified income statement - €/m	**H1 2011**	**H1 2010**	**% Chg.**	**H1 2011**	**H1 2010**	**% Chg.**
Net interest income	886.2	923.6	(4.1%)	953.8	1,048.3	(9.0%)
Profit (loss) on equity investments carried at equity	22.9	21.2	7.9%	22.9	21.2	7.9%
Net interest, dividend and similar income	**909.1**	**944.8**	**(3.8%)**	**976.6**	**1,069.5**	**(8.7%)**
Net commissions	653.9	642.5	1.8%	653.9	642.5	1.8%
Other revenues	34.4	29.9	n.s.	53.2	49.9	n.s.
Net financial income	287.3	276.0	4.1%	295.1	279.7	5.5%
Other operating income	**975.6**	**948.4**	**2.9%**	**1,002.2**	**972.1**	**3.1%**
Total income	**1,884.7**	**1,893.2**	**(0.5%)**	**1,978.9**	**2,041.5**	**(3.1%)**
Personnel expenses	(755.3)	(744.5)	1.5%	(755.3)	(744.5)	1.5%
Other administrative expenses	(377.3)	(386.7)	(2.4%)	(377.3)	(386.7)	(2.4%)
Amortization and depreciation	(70.0)	(62.2)	12.6%	(68.1)	(60.2)	13.3%
Operating costs	**(1,202.7)**	**(1,193.4)**	**0.8%**	**(1,200.8)**	**(1,191.4)**	**0.8%**
Profit from operations	**682.0**	**699.8**	**(2.5%)**	**778.1**	**850.2**	**(8.5%)**
Net write-downs on impairment of loans, guarantees and commitment	(399.9)	(386.6)	3.4%	(399.9)	(386.6)	3.4%
Net write-downs on impairment of other financial transactions	(27.1)	(26.9)	0.7%	(27.1)	(26.9)	0.7%
Net provisions for risks and charges	(2.3)	(22.6)	(90.0%)	(2.3)	(22.6)	(90.0%)
Impairment of goodwill and equity investments	-	(1.0)	(100.0%)	-	(1.0)	(100.0%)
Profit (loss) on disposal of equity and other investments	62.7	12.3	n.s.	69.4	45.7	51.8%
Income before tax from continuing operations	**315.4**	**275.0**	**14.7%**	**418.2**	**458.8**	**(8.8%)**
Tax on income from continuing operations	(138.0)	144.5	(195.5%)	(167.3)	85.8	(294.9%)
Income (Loss) after tax from non-current assets held for sale	22.0	23.3	(5.7%)	22.0	27.3	(19.4%)
Minority interest	(8.0)	(5.9)	34.8%	(8.4)	(12.5)	(32.5%)
Net income for the period excluding PPA				**264.5**	**559.5**	**(52.7%)**
PPA impact after tax				(73.1)	(122.5)	(40.3%)
Net income for the period including PPA	**191.4**	**436.9**	**(56.2%)**	**191.4**	**436.9**	**(56.2%)**

Of which PPA ex-BPI: -€54.9m
Of which PPA Italease: -€18.2m

BANCO POPOLARE
GRUPPO BANCARIO

Consolidated income statement as at 30/06/2011: quarterly change

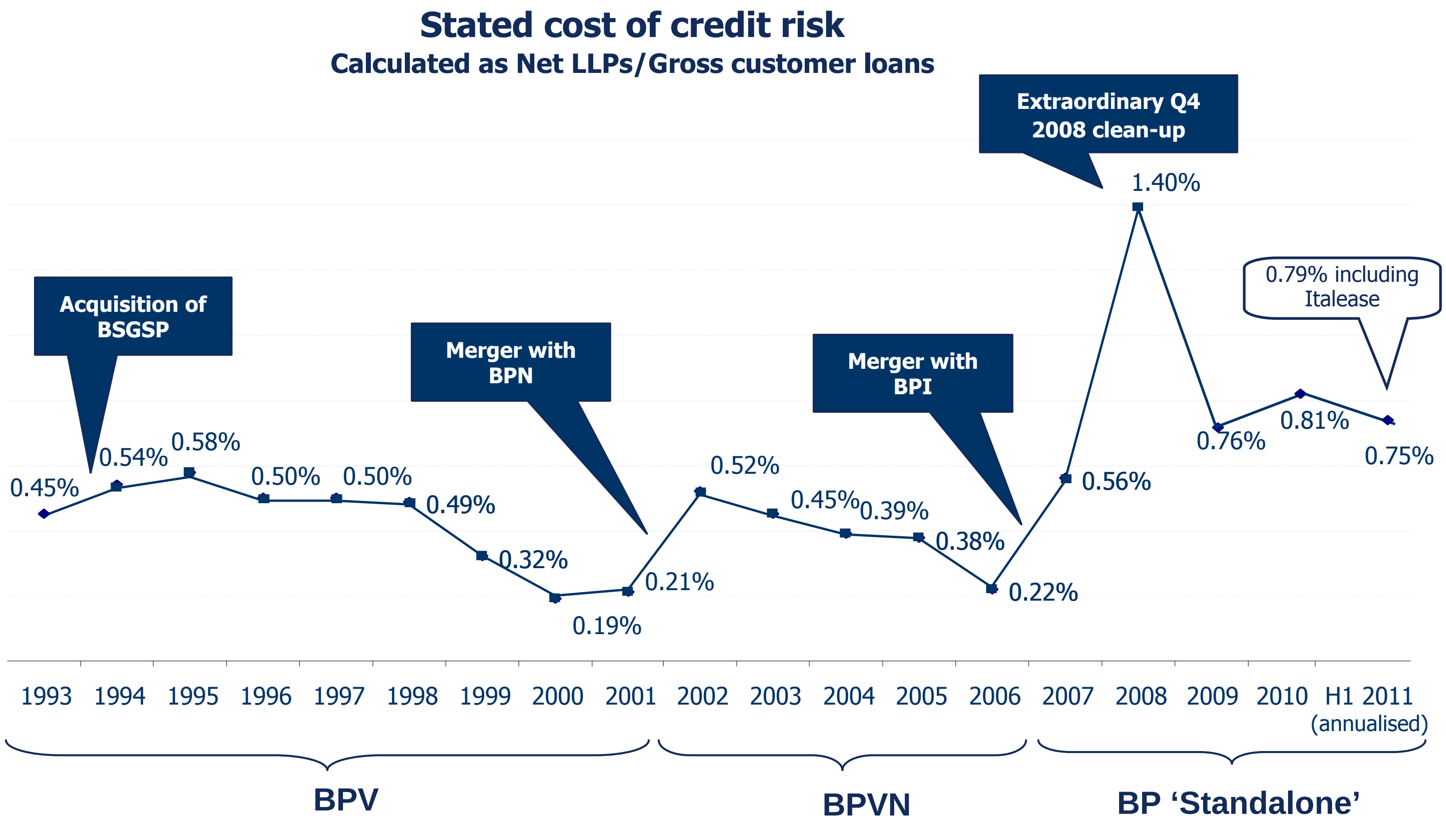
	INCLUDING PPA line-by-line			EXCLUDING PPA line-by-line		
Reclassified income statement - €/m	**Q2 2011**	**Q1 2011**	**% Chg.**	**Q2 2011**	**Q1 2011**	**% Chg.**
Net interest income	441.7	444.4	(0.6%)	475.0	478.8	(0.8%)
Profit (loss) on equity investments carried at equity	13.9	9.0	53.8%	13.9	9.0	53.8%
Net interest, dividend and similar income	**455.6**	**453.5**	**0.5%**	**488.9**	**487.8**	**0.2%**
Net commissions	320.2	333.7	(4.1%)	320.2	333.7	(4.1%)
Other revenues	25.8	8.7	197.2%	35.2	18.1	94.7%
Net financial income	220.0	67.3	226.9%	221.9	73.2	203.0%
Other operating income	**565.9**	**409.7**	**38.1%**	**577.2**	**425.0**	**35.8%**
Total income	**1,021.5**	**863.1**	**18.4%**	**1,066.1**	**912.8**	**16.8%**
Personnel expenses	(378.7)	(376.6)	0.5%	(378.7)	(376.6)	0.5%
Other administrative expenses	(188.5)	(188.9)	(0.2%)	(188.5)	(188.9)	(0.2%)
Amortization and depreciation	(38.0)	(32.0)	18.8%	(37.1)	(31.0)	19.4%
Operating costs	**(605.2)**	**(597.5)**	**1.3%**	**(604.2)**	**(596.5)**	**1.3%**
Profit from operations	**416.3**	**265.7**	**56.7%**	**461.8**	**316.3**	**46.0%**
Net write-downs on impairment of loans, guarantees and commitment	(192.7)	(207.2)	(7.0%)	(192.7)	(207.2)	(7.0%)
Net write-downs on impairment of other financial transactions	(25.5)	(1.6)	1512.4%	(25.5)	(1.6)	n.s.
Net provisions for risks and charges	(7.7)	5.4	(241.7%)	(7.7)	5.4	n.s.
Profit (loss) on disposal of equity and other investments	14.9	47.8	(68.9%)	15.7	53.7	(70.8%)
Income before tax from continuing operations	**205.3**	**110.1**	**n.s.**	**251.6**	**166.6**	**51.0%**
Tax on income from continuing operations	(88.5)	(49.6)	78.6%	(99.7)	(67.6)	47.5%
Income (Loss) after tax from non-current assets held for sale	16.4	5.6	193.6%	16.4	5.6	193.6%
Minority interest	(1.9)	(6.1)	(69.0%)	(2.1)	(6.3)	(66.6%)
Net income for the period excluding PPA				**166.2**	**98.3**	**69.1%**
PPA impact after tax				(34.9)	(38.3)	(8.9%)
Net income for the period including PPA	**131.4**	**60.0**	**n.s.**	**131.4**	**60.0**	**118.8%**

Of which PPA ex-BPI: -€25.6
Of which PPA Italease: -€9.3

BANCO POPOLARE
GRUPPO BANCARIO

Appendix: Banco Popolare Group

Historic cost of credit risk: evolution



Comments:

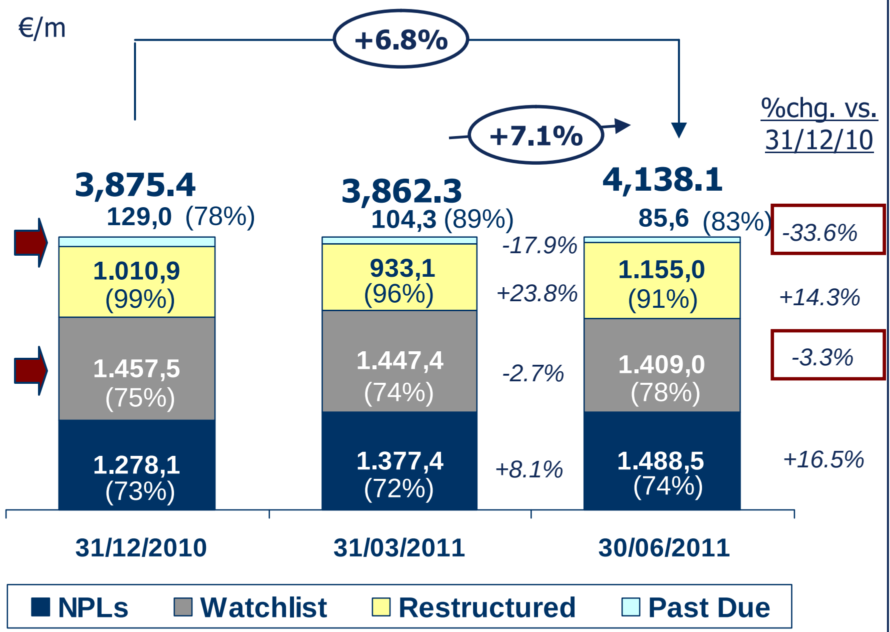
- 2010 cost of credit risk still above the historic average, reflecting the weak economic environment and stringent credit risk management criteria.
- A stable result is expected in 2011, while for 2012 the cost is expected to decrease, with a further drop expected in 2013.

Notes: Calculation based on Annual Reports.
2006-2007 figures based on IAS, previous years on Italian Gaap; 2006-2007 and 2008 excluding time factor, with 2006 including disposal of NPLs.
2004 without Linea as the company was considered as equity stake afterwards.

Appendix: Italease

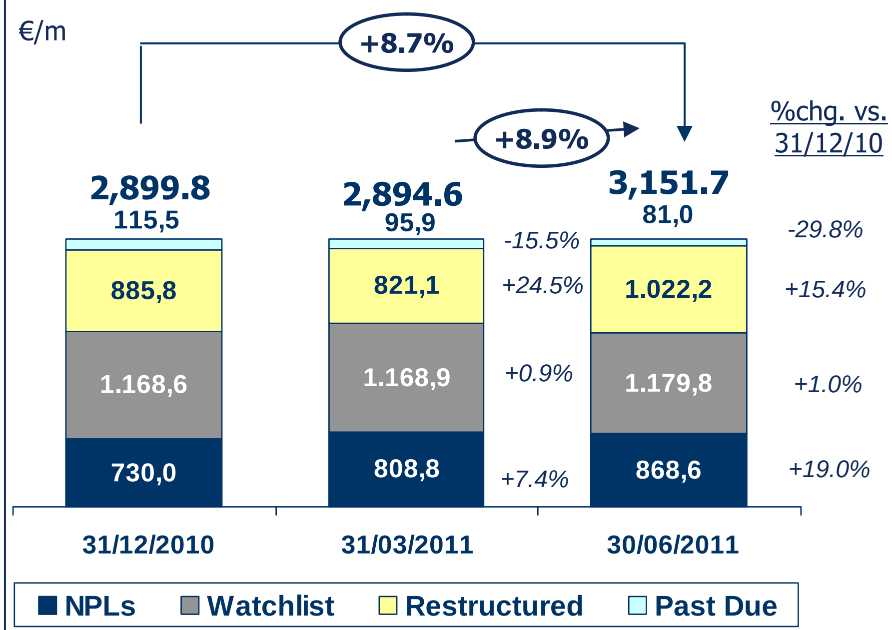
Italease: consolidated impaired loans

Gross impaired loans



N.B.: The figures indicated in brackets indicate the % share of real-estate lending.

Net impaired loans



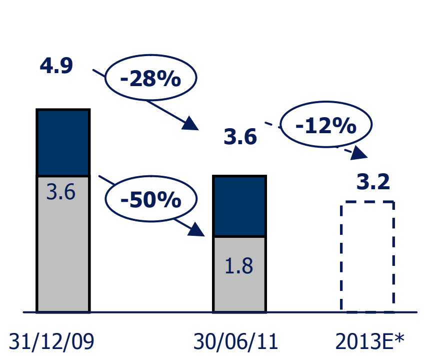
Comments:

- The weight of real estate (highly collateralised) increases both in the NPL portfolio (to 74% in June 2011) and in Watchlist loans (to 78% in June 2011).
- The increase in the impaired loan portfolio in Q2 2011 is substantially due to a single position of €183m (of which: €132m in Release and €51m in "Residual" portfolio), which has already been restructured in August, and to another position of €23m (entirely in the "Residual" portfolio) which has entered into a bankruptcy procedure providing for the total repayment of the preferred creditors (such as Banco Popolare).

Banca Italease: Release and 'Residual' portfolio

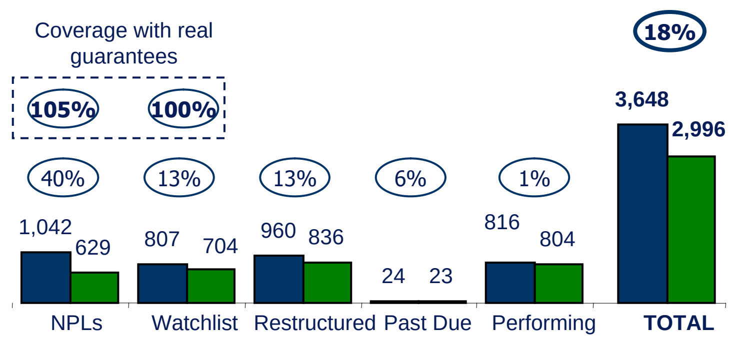
Release portfolio

Evolution of total gross loans

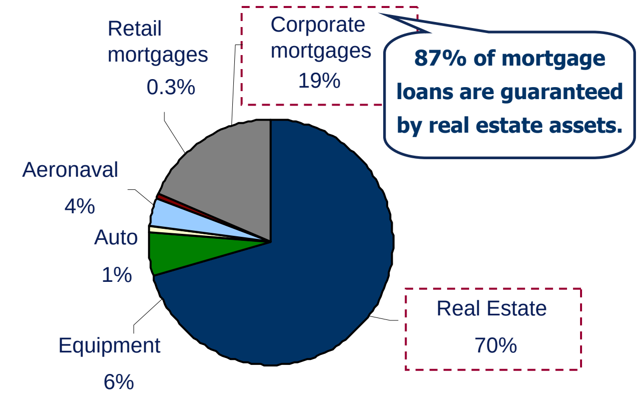


* Expected evolution according to the repayment plan until 2013

Loan portfolio as at 30/06/2011

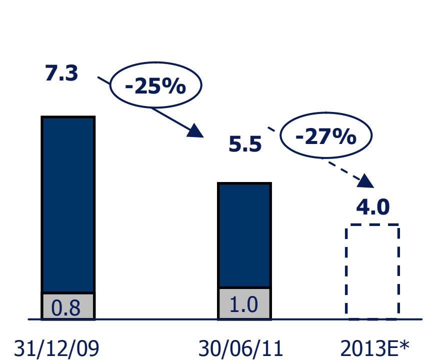


Loan portfolio by product category as at 30/06/2011

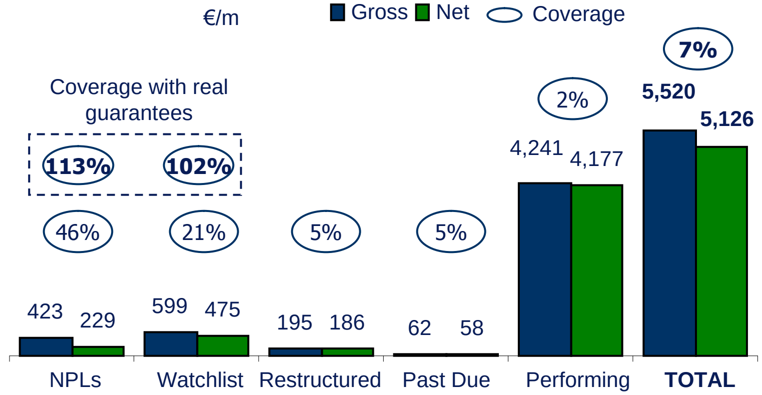


Residual portfolio

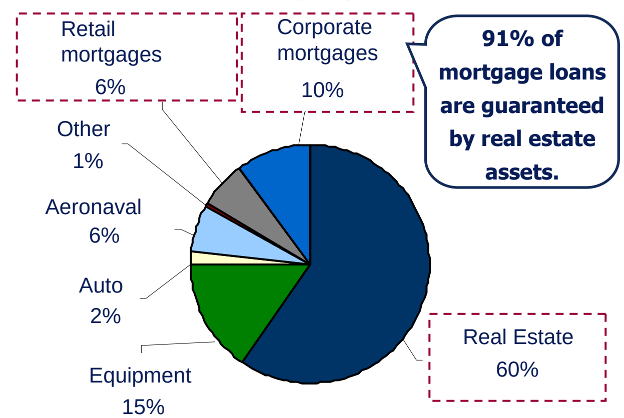
Evolution of total gross loans



Loan portfolio as at 30/06/2011



Loan portfolio by product category as at 30/06/2011

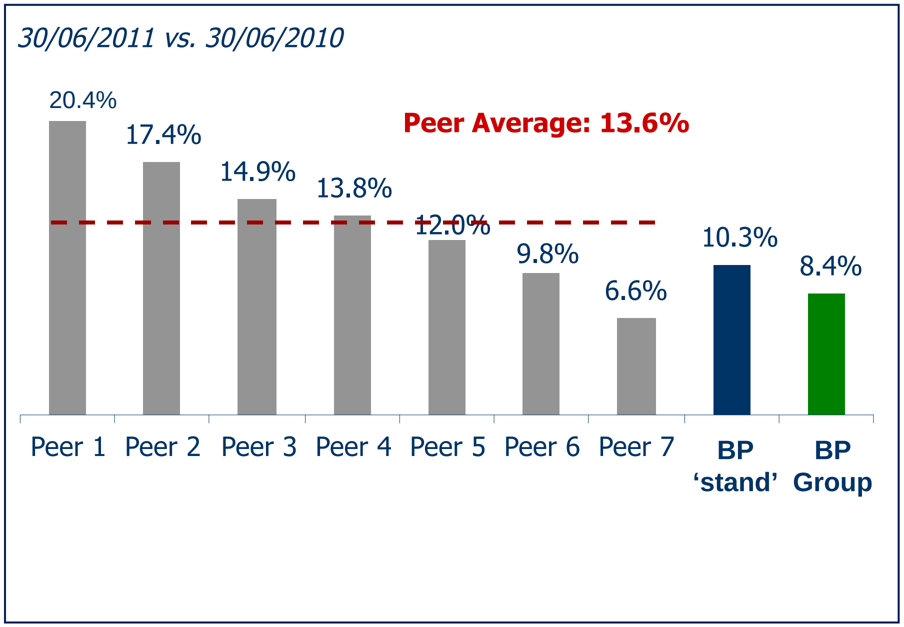


* Expected evolution according to the repayment plan until 2013

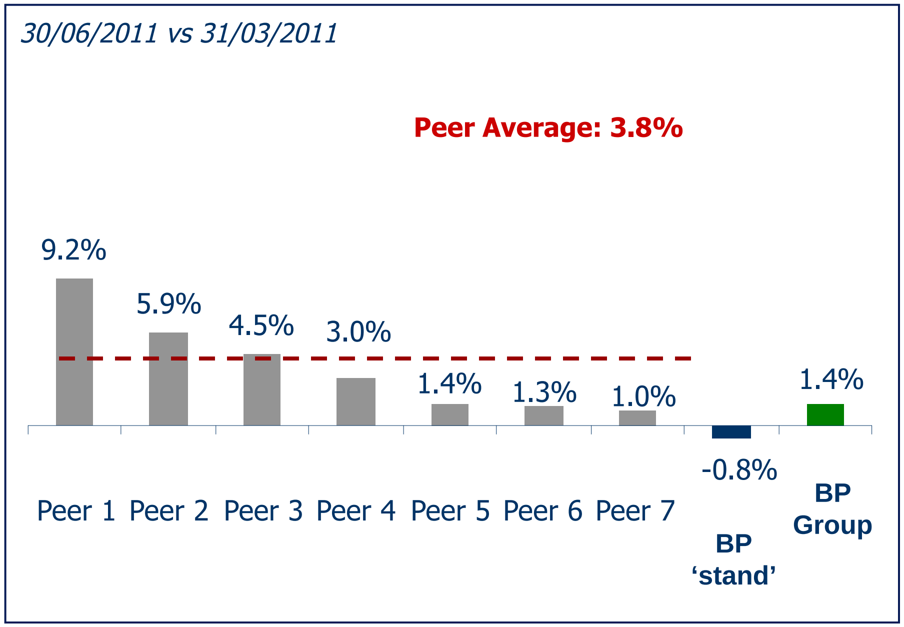
BANCO POPOLARE
GRUPPO BANCARIO

Asset quality: trend in gross impaired loans

Yearly trend in gross impaired loans vs. domestic peers(i)



Quarterly trend in gross impaired loans vs. domestic peers(i)

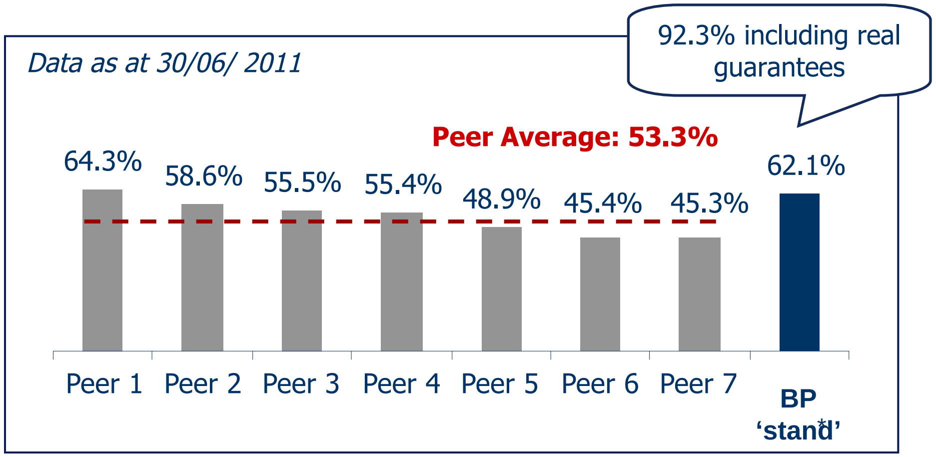


(i) Peers include ISP, UCG, MPS, UBI, BPER, BPM and Carige. Data based on latest reported figures as at 30/06/2011.

Appendix: Banco Popolare 'Standalone'

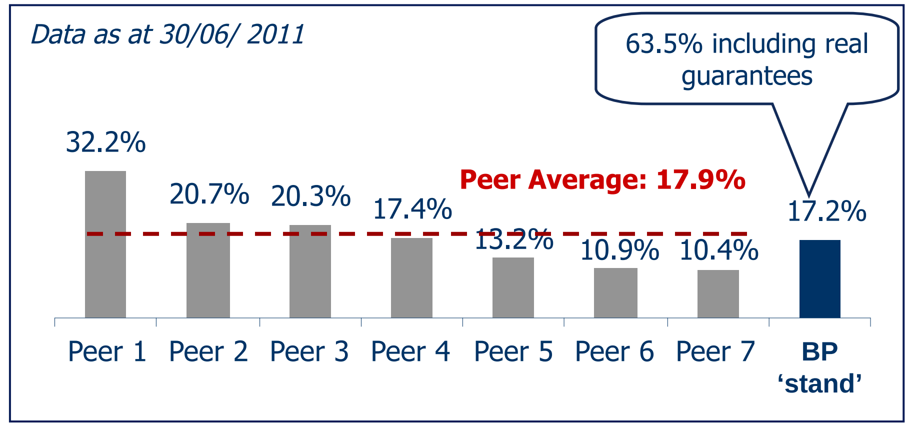
Healthy coverage levels vs. domestic peer average

NPL coverage ratio vs. domestic peers(i)

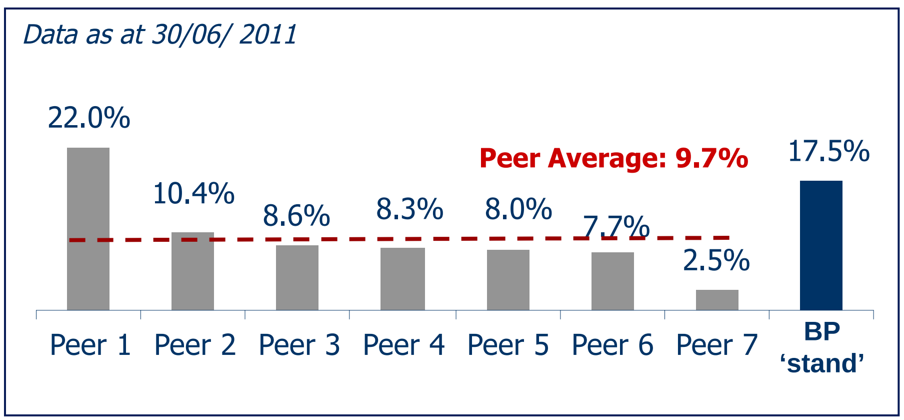


(*) Banco Popolare NPLs coverage includes write-offs(ii).

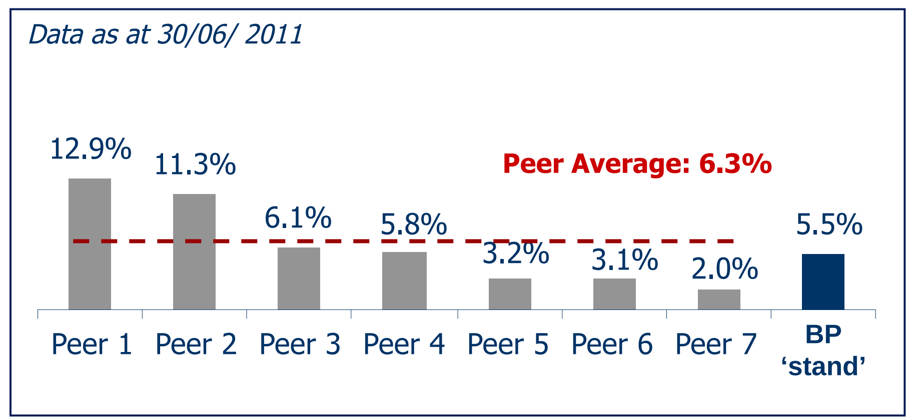
Watchlist coverage ratio vs. domestic peers(i)



Restructured coverage ratio vs. domestic peers(i)



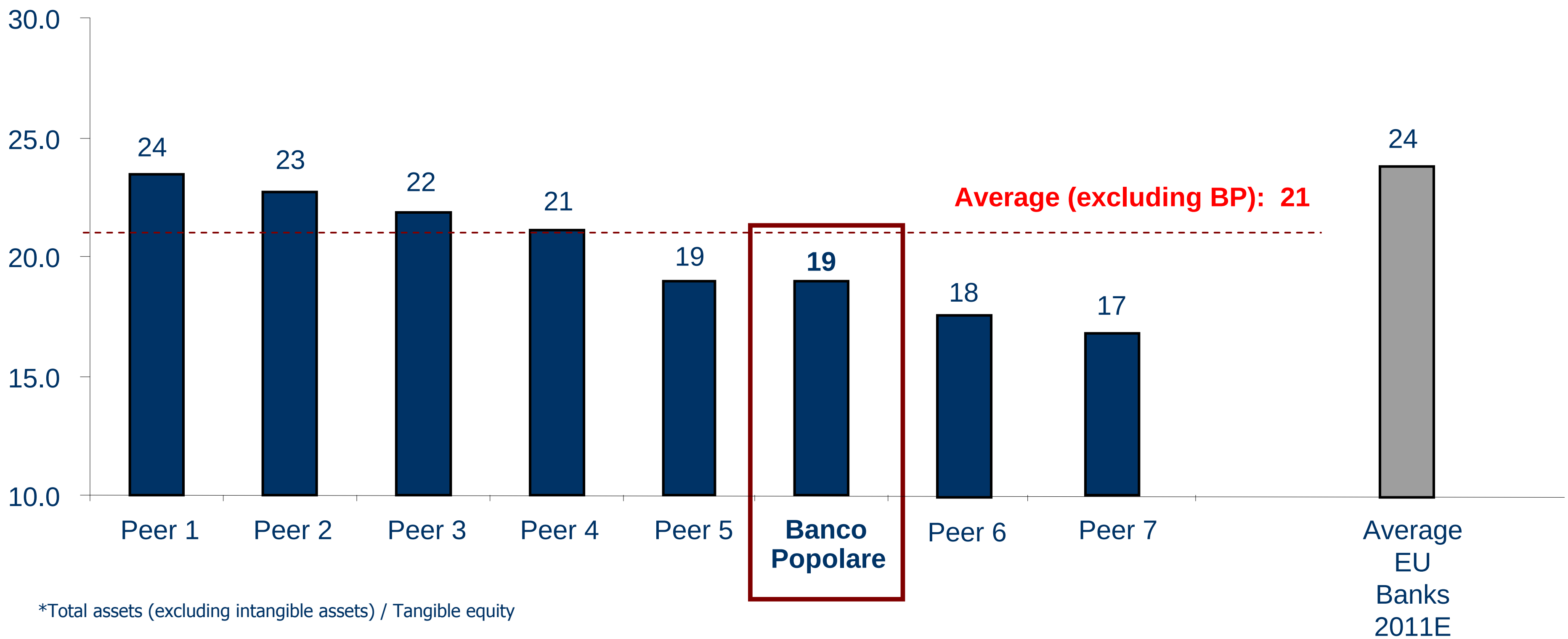
Past-Due coverage ratio vs. domestic peers(i)



(i) Peers include ISP, UCG, MPS, UBI, BPER, BPM and Carige. Data based on latest reported figures as at 30/06/2011.
(ii) Coverage ratio adjusted for write-offs which the bank makes to a significant degree for non-performing loans under bankruptcy procedures together with the entire use of the specific NPL-related accounting reserves already booked against such loans.

Leverage ratio: benchmark with other Italian banks

Tangible total assets/Tangible book value*



*Total assets (excluding intangible assets) / Tangible equity

The Group enjoys a low leverage level and, moreover, is not exposed to so-called 'toxic assets'.

Notes:
- Source: H1 2011 Reports. Data includes the right issues approved but not yet completed as at 30/06/2011.
- Peer list includes: ISP, UCG, UBI, MPS, BPM, BPER and Carige.

Pipeline of IR events in 2011

Date	Place	Events
15 February 2011	London	HSBC South European Banks Conference
25 March 2011	Verona	Press release on FY 2010 results
25 March 2011	Verona	Banco Popolare: Conference call on FY 2010 results
30 March 2011	London	Morgan Stanley - 2011 European Financials Conference
30 April 2011	Lodi	Annual Meeting of Shareholders (2nd call)
13 May 2011	Verona	Press release on Q1 2011 results
13 May 2011	Verona	Banco Popolare: Conference call on Q1 2011 results
09 June 2011	Paris	Goldman Sachs European Financials Conference
30 June 2011	Verona	Press release on the approval of the Business Plan 2011 - 2013/2015
30 June 2011	Milan	Presentation of the Business Plan 2011 - 2013/2015
15 July 2011	Verona	Press release on New Model of `Large Banca Popolare´ Project
18 July 2011	Verona	Banco Popolare: Conference call on New Model of `Large Banca Popolare´ Project
26 August 2011	Verona	Press release on H1 2011 results
26 August 2011	Verona	Banco Popolare: Conference call on H1 2011 results
01 September 2011	London	Nomura Financial Services Conference
20 September 2011	London	Sanford Bernstein Pan-European Strategic Decisions Conference 2011
21 September 2011	London	KBW 2011 UK & European Financials Conference
06 October 2011	London	BofA Merrill Lynch Banking and Insurance CEO Conference
11 November 2011	Verona	Press release on Q3 2011 results
11 November 2011	Verona	Banco Popolare: Conference call on Q3 2011 results
24 November 2011	Monza	Banca Leonardo Italian Financial Conference

N.B. The above pipeline does not include ongoing roadshows, meetings and possible other Investor Conferences.

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